

DAILY REPORT

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RENMIN RIBAO ON REAGAN'S PROPOSED EUROPEAN TOUR

HK191107 Beijing RENMIN RIBAO in Chinese 19 May 82 p 7

["Newsletter From America" by RENMIN RIBAO reported Yuan Xianlu [5913 0341 4389]:
"'Weather Forecast' on the Eve of Reagan's European Tour"]

[Text] The "weather forecast" has already shown that President Ronald Reagan will hardly find the "weather" in Western Europe pleasant when he attends the 7-nation summit in Versailles and visits several Western European states in June. This was said by a U.S. reporter. By "weather forecast," he meant the relations between the United States and the Western countries as reflected in the recent annual ministerial meeting of the Organization for Economic Cooperation and Development in Paris, the trade conference of the United States, Canada, Japan and the EEC, and the IMF ad hoc committee conference held in Helsinki.

For some time, the economic relationship between the United States and Western Europe has been clouded, chiefly because of high interest rates. The prolonged high American interest rate has caused the exchange rate of the U.S. dollar to rise, the Western European currencies to depreciate and a great deal of capital to flow out of Western Europe. Investment has decreased and unemployment has risen and all this has aggravated the economic recession in Western Europe. The economies of the Western European countries were at a standstill in 1981. Even in West Germany, which has all along been regarded as the "locomotive" of economic development, the GNP dropped and industrial production decreased. In particular, unemployment increased by a large extent. In the first quarter of this year, the unemployment rate in many Western European countries was near or surpassed the postwar record high. It rose to 13 percent in Britain. Yet, high American interest rates, being the major cause of the economic recession in Western Europe, remained at 16 percent and, because of the huge U.S. budget deficit, seem unlikely to fall in the near future. For this reason, since the beginning of this year, some Western European leaders have time and again reproached the U.S. for its financial and monetary policies having harmed the economy of the West. French President Francois Mitterrand, host of the Versailles summit, said not long ago that at the June summit the six nations "will form a united front to urge the United States to lower its interest rates." This shows the deep dissatisfaction of Western Europe with high American interest rates.

Moreover, the United States and Western Europe consider Japan to be their main rival in trade, but there are also some contradictions between them. At the beginning of this year, an intense trade war over steel and farm products broke out between them. There also was a difference of opinion between them on the economic relations between the East and the West. The United States asked Western Europe to stop laying a pipeline for the Soviet Union but did not get an answer. The United States also asked its allies to cooperate in reducing their loans to and trade with the Soviet Union, but many Western European countries were indecisive.

Washington obviously feels concern for this situation which President Reagan will face during his first tour of Western Europe since assuming his post. In mid-May, three U.S. senior economic officials including Treasury Secretary Donald Regan, Commerce Secretary Malcolm Baldrige and Special Trade Representative William Brock went to Europe to attend three meetings in Paris and Helsinki. Their purpose was to calm the dissatisfaction of Western Europe, to ease the economic contradiction between the United States and Western Europe and to create a better atmosphere for President Reagan's visit.

Reagan said at a meeting of the Organization of Economic Cooperation and Development that a low interest rate was by no means a panacea, that only by overcoming inflation would it be possible to revitalize the economy, that the Reagan administration's economic policy had produced good results in solving the problem of inflation, and that interest rates would soon drop, although they would remain very high for the time being.

Yet, this did not mean that the United States had succeeded in dispelling the dissatisfaction of Western Europe with high American interest rates. Other speakers at the meeting unanimously asked the United States to lower its interest rates by reducing its deficit. The communique of the meeting stressed the evil results of high interest rates. The economic growth rate of the 24 member states of this organization had been estimated to be 1.5 percent in 1993. Due to high interest rates, it will only be 0.3 percent. The high interest rates will increase the number of unemployed people to 6 million in these 24 states, making the unemployed population rise to a total of 30 million. In this situation, people are still unhappy although inflation in Western Europe has eased off. As for the U.S. economy, inflation has decreased noticeably in the past few months, but many people in the United States do not believe that this trend will last long. Many Western European countries doubt Reagan's promise that American interest rates will drop when inflation eases off.

What will President Reagan resort to in order to calm the dissatisfaction of Western Europe? Contrary to his prediction, the U.S. economy has not shown signs of recovery. The budget deficit has not decreased, thus putting him in a difficult situation. Certainly, he can lower interest rates for the time being by changing monetary policy and increasing the supply of money, but inflation will worsen immediately and his whole plan of economic recovery will be foiled. For this reason, it is very difficult for the United States to lower interest rates. As for the contradiction between the United States and Western Europe, with their economies deteriorating and unemployment rising, there is not much room for them to make compromises.

Of course, President Reagan's first visit to Western Europe since assuming office is not only an important diplomatic activity for the United States but also a big event for Western Europe. Both sides hope to strengthen their relationship as allies and reiterate their unity and cooperation during this visit. However in the depression of the economic recession in the West in the past few years, it will not be easy to usher in balmy sunshine in the relationship between the United States and Western Europe.

NI SHIFU MEETS JAPANESE TU DELEGATION 14 MAY

OW141946 Beijing XINHUA in English 1655 GMT 14 May 82

[Text] Beijing, May 14 (XINHUA) -- Ni Zhifu and Wang Chonglun, president and vice-president of the All-China Federation of Trade Unions, met and had a cordial talk here today with a delegation from the General Council of Trade Unions of Japan. The delegation, arriving yesterday, is led by Shizuo Mishima, director of the Organization Department of the General Council. Members of the delegation are representatives from the General Council's branch organizations.

COUNCILLOR FANG YI MEETS JAPANESE DELEGATION

OW180737 Beijing XINHUA in English 0719 GMT 18 May 82

[Text] Beijing, May 18 (XINHUA) -- Fang Yi, state councillor and honorary president of the Chinese weiqi (go chess) association, met with a Japanese youth go chess delegation led by Kisei Shuko Fujisawa this morning. Among those present with Li Menghua, minister of the State Physical Culture and Sports Commission and president of the Chinese weiqi association, and Chinese go chess players Nie Weiping, Wu Songsheng and Kong Xiangming. The guests arrived May 14. During their stay in Beijing, they will play four matches.

YAO YILIN MEETS JAPANESE INSURANCE DELEGATION

OW181220 Beijing XINHUA in English 1215 GMT 18 May 82

[Text] Beijing, May 18 (XINHUA) -- Chinese Vice-Premier Yao Yilin met and had a friendly conversation here this afternoon with a 21-member delegation from Japanese insurance companies led by Akio Hirata, president of the Yasuda Fire and Marine Insurance Company Ltd. The delegation consists of presidents and vice-presidents from 16 insurance and reinsurance companies in Japan. The Japanese guests arrived in Beijing May 16 for a visit to China at the invitation of the People's Insurance Company of China.

PRC, JAPAN SIGN OIL, GAS SURVEY AGREEMENT 19 MAY

OW181720 Beijing XINHUA in English 1518 GMT 19 May 82

[Text] Beijing, May 19 (XINHUA) -- An agreement for the joint survey and exploration of petroleum and natural gas in the northern part of China's Eerduosi (Ordos) Basin was signed here this afternoon by the Chinese Ministry of Geology and Minerals and the Japan National Oil Corporation. According to the agreement, the Sino-Japanese cooperation projects will begin this month and will be completed in five years.

State Councillor Fang Yi attended the signing ceremony and met with a delegation from the Japan national oil corporation led by Akira Watari, executive vice-president of the corporation. Xia Guozhi, vice-minister of geology and minerals, and Vice-President Watari signed the agreement. Sun Daguang, minister of geology and minerals, was also present.

USSR ATTEMPT TO BAR DK FROM UN MEETING FOILED

OW181024 Beijing XINHUA in English 0804 GMT 18 May 82

[Text] Nairobi, May 17 (XINHUA) -- The Soviet Union failed today to deprive Democratic Kampuchea of its right to attend the current session of the governing council of the United Nations Environment Programme. At today's credentials committee meeting, the Soviet delegate asserted that the Government of Democratic Kampuchea is a non-existent regime and therefore the credentials of its representative to this session are invalid. His remarks were immediately refuted by other members of the committee.

The Chinese delegate said that Democratic Kampuchea is an independent, sovereign state and its government is recognised by the United Nations as the sole legal government of the country. He said that the United Nations General Assembly has adopted resolutions recognizing the delegates sent by the Democratic Kampuchean Government as the sole legitimate representatives of the country to the United Nations. Therefore, he pointed out, as a U.N. subordinate organ, the United Nations Environment Programme should logically abide by all the resolutions of the U.N. General Assembly concerned. The Heng Samrin regime, he continued, is nothing but a puppet installed single-handedly by the Vietnamese authorities. "The question of defending the Kampuchean representation is, in essence, a question of principle in opposing aggression, upholding justice and safeguarding the U.N. Charter," he stressed.

The representative of Senegal noted that the question of representation of Kampuchea has been debated at successive U.N. General Assembly sessions and the current session of the United Nations Environment Programme apparently should abide by the General Assembly resolutions concerned. The representatives of Papua New Guinea and the United States also spoke in favour of this view. Chairman of the credentials committee Emanuel Agorsor of Ghana then declared that the committee considers the credentials of all delegates to the current session are valid, without putting it to vote. The credentials committee is composed of China, Ecuador, Ghana, the Netherlands, Papua New Guinea, Peru, Senegal, the Soviet Union and the United States.

ZHAO ZIYANG MEETS WITH HONG KONG BUSINESSMAN

OW192036 Beijing XINHUA Domestic Service in Chinese 1220 GMT 18 May 82

[Text] Beijing, 18 May (XINHUA) -- Qiu Degen [6726 1795 2704], chairman of the Hong Kong Far Eastern Group, and his wife left Beijing for Shanghai today. During their stay in Beijing, Zhao Ziyang, premier of the State Council, met and had cordial talks with them. Last evening, Liao Chengzhi, vice chairman of the Standing Committee of the National People's Congress, gave a banquet to honor Qiu Degen and his wife.

HUANG HUA MEETS OUTGOING BURMESE, NEPALESE ENVOYS

OW141015 Beijing XINHUA in English 0813 GMT 14 May 82

[Text] Beijing, May 14 (XINHUA) -- Huang Hua, state councillor and minister of foreign affairs, met and had a cordial talk here this morning with Y.N. Khanal, Nepalese ambassador to China, and U Tha Tun, Burmese ambassador to China, on separate occasions. These two ambassadors will soon leave China at the end of their term of office.

NEW PHILIPPINE ENVOY PRESENTS CREDENTIALS

OW170732 Beijing XINHUA in English 0704 GMT 17 May 82

[Text] Beijing, May 17 (XINHUA) -- Fortunato U. Abat, new Philippine ambassador to China, presented this morning credentials to Ulanhu, vice-president of the Standing Committee of the National People's Congress. Wu Xueqian, vice-minister of foreign affairs, was present. Fortunato U. Abat arrived here May 11.

DELHI REPORTS END OF OFFICIAL-LEVEL PRC TALKS

BK200859 Delhi Domestic Service in English 0830 GMT 20 May 82

[Text] The bilateral official-level talks between India and China ended in New Delhi this morning. The two sides met in plenary to review the 4-day discussions of the working groups on border, trade and economic affairs, science and technology and culture. Immediately after the plenary, leader of the Chinese delegation Fu Hao met External Affairs Minister Narasimha Rao. He was with him for about half an hour.

Asked by newsmen whether there has been any breakthrough on the boundary question, Fu said everything has worked according to plan.

Leader of the Indian side, Eric Gonsalves, told the Akashvani correspondent that the two sides will be meeting in the afternoon for a brief wrap-up session.

PAKISTANI ARMY DEPUTY CHIEF OF STAFF VISITS

Arrival in Beijing

OW181505 Beijing XINHUA in English 1500 GMT 18 May 82

[Text] Beijing, May 18 (XINHUA) — General Sawar Khan, deputy chief of the army staff of Pakistan, and his wife and party arrived here by air this morning for a 10-day visit to China at the invitation of Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army.

This afternoon, the Ministry of National Defense held a ceremony in front of the military museum of the Chinese people's revolution to welcome the Pakistan guests. General Sawar Khan reviewed an honor guard of the P.L.A. in the company of Liu Huaqing, deputy chief of the P.L.A. General Staff.

Meeting With Geng Biao

OW191306 Beijing XINHUA in English 1248 GMT 19 May 82

[Text] Beijing, May 19 (XINHUA) — Geng Biao, state councillor and minister of national defense, met here this afternoon with General Sawar Khan, deputy chief of the army staff of Pakistan.

They reaffirmed that they would continue their efforts to strengthen Sino-Pakistan friendship and support the Afghan people's just struggle. Geng Biao said: "Close relations exist between the governments, armies and peoples of China and Pakistan. Such friendly relations have developed continuously." General Sawar Khan said China understands the problems that confront Pakistan and has given her active support. He said the Pakistan Government, army and people treasure their friendship with China. They are determined to make continuous efforts to develop this friendship.

They also discussed the grave menace to this area caused by the Soviet occupation of Afghanistan.

Geng Biao said the Soviet Union, which has occupied Afghanistan for more than two years, has wrought calamities to the Afghan people and created a serious threat to the countries around. At the same time, its occupation of Afghanistan constitutes a heavy burden for itself. He said the Chinese people firmly support the Afghan people in their struggle to oppose Soviet occupation troops and appreciate Pakistan's position on this problem.

General Sawar Khan said the Soviet occupation of Afghanistan has constituted a direct threat to Pakistan. Pakistan hopes the Afghan people will carry the struggle through to the end.

The two sides also discussed matters of common interest.

Present at the meeting were Liu Huaqing, deputy chief of the General Staff of the Chinese People's Liberation Army, and Cai Chengwen, director of the Foreign Affairs Bureau of the Ministry of National Defense. Also present were M. Afzal Qadir, charge d'affaires ad interim; Brigadier A.G. Abid, defence and army attache of the Pakistan Embassy in China; and General Sawar Khan's party.

Yang Dezhi Hosts Banquet

OW191540 Beijing XINHUA in English 1504 GMT 19 May 82

[Text] Beijing, May 19 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army, and his wife, Shen Gejun, gave a banquet at the Great Hall of the People this evening in honor of General Sawar Khan, deputy chief of the army staff of Pakistan, Begum Sawar Khan and their party.

Yang Dezhi and General Sawar Khan spoke at the banquet. They noted that Sino-Pakistan friendship is deeply rooted in the hearts of the two peoples and that the two countries have identical views on major international issues.

Yang Dezhi said that China and Pakistan share identical views on major international issues. The two peoples and armed forces have always been sympathizing with, supporting and helping each other in the common cause to build and defend their respective countries and to maintain the peace and stability of this region and the world at large, he said. "This profound friendship of ours has stood the test of time. No matter how stormy and unstable the international situation may be, we are convinced that our friendship will stand the future test and continue to develop in the struggle to safeguard national independence and state sovereignty and to oppose threats and interference from outside," Yang Dezhi said.

General Sawar Khan said in reply that Sino-Pakistan friendship contributes to peace in their region. He said: "Pakistan and China are two friendly neighbours, deeply concerned about the well-being of each other. The time-tested friendship and cooperation between our two peoples, governments and the armed forces is growing with the passage of each day."

Among the guests at the banquet were M. Afzal Qadir, charge d'affaires ad interim of the Pakistan Embassy here, and Mrs Afzal Qadir, and military attaches of the embassy. Present at the banquet were Liu Huaqing, deputy chief of the General Staff of the Chinese People's Liberation Army, and his wife, Xu Hongxia, and Xu Xin, assistant to the chief of the P.L.A. General Staff.

This morning, General Sawar Khan and his party, in the company of Liu Huaqing, visited an armoured unit of the P.L.A. Beijing units, where they received a warm welcome by the commanders and fighters. The Pakistan guests will leave here tomorrow for other parts of China before returning to Beijing.

FURTHER REPORTS ON ECONOMIC GROUP'S FRG VISIT

Economic Cooperation Discussed

OW191716 Beijing XINHUA in English 1624 GMT 19 May 82

[Text] Bonn, May 19 (XINHUA) -- The second session of the mixed committee for economic cooperation between China and the Federal Republic of Germany ended here today after reaching an identical view that their economic cooperation and trade have vast prospects. The three-day session was attended by Chen Muhua, head of the Chinese economic delegation, state councillor and minister of foreign economic relations and trade; Otto Graf Lambsdorff, West German minister of economics; and other officials from the two countries. Participants in the session noted with satisfaction the rapid development of trade between China and West Germany since the establishment of diplomatic relations between the two countries in 1972.

In 1981 the volume of trade between the two countries hit an all-time high, totalling 2.34 billion U.S. dollars and representing a 14.6 percent increase over that of 1980. West Germany is China's biggest trade partner in Western Europe. It takes the fourth place in China's foreign trade. In the past one year and more, the two countries have reached cooperation agreements on several hundred joint projects.

At the session, the two sides exchanged views on the further development of their economic cooperation. They suggested, among others, better cooperation between different regions of the two countries and between their medium-sized and small enterprises, an expanded sphere of cooperation in third countries in the areas of services and commodity sales, conclusion at an early date of an agreement on investment promotion and protection and fresh efforts toward cooperation in the areas of energy and raw materials.

Chen Muhua Meets Schmidt

OW200340 Beijing XINHUA in English 0154 GMT 20 May 82

[Text] Bonn, May 19 (XINHUA) -- West German Chancellor Helmut Schmidt today met the Chinese Government economic delegation headed by State Councillor Chen Muhua. The chancellor highly appraised China's positive attitude in international political and economic affairs, saying that its approach was wise. He hoped to see China playing a bigger role in the 80's and 90's. Chen Muhua, who is also minister of foreign economic relations and trade, said that China and West Germany keep very good economic and political relations. She praised West Germany for its free trade policy and expressed appreciation of its support for China through the European Economic Community. She stressed: "Just as you hope to see a strong China, we also want to see a strong Europe." Present on the occasion were West German Economics Minister Otto Lambsdorff, Chinese Vice-Minister of Foreign Economic Relations and Trade Wei Yuming and Chinese Ambassador Zhang Tong.

NEW PRC ENVOY TO DENMARK PRESENTS CREDENTIALS

OW181928 Beijing XINHUA in English 1921 GMT 18 May 82

[Text] Beijing, May 18 (XINHUA) -- New Chinese Ambassador to Denmark Ding Xuesong presented credentials to Her Excellency Margrethe II, queen of Denmark, in Copenhagen today, according to a report from the Danish capital. The queen had a warm and cordial conversation with the Chinese ambassador. Ding Xuesong arrived in Copenhagen yesterday.

BURUNDIAN, ZAMBIAN WOMEN'S DELEGATIONS VISITJi Pengfei Meets Burundi Group

OW141301 Beijing XINHUA in English 1246 GMT 14 May 82

[Text] Beijing, May 14 (XINHUA) -- State Councillor Ji Pengfei met and had a cordial talk here today at the Great Hall of the People with a Burundi women's delegation led by Kandeke Euphrasie, secretary general of the Women's Union of Burundi. Lin Liyun, vice-president of the All-China Women's Federation, was on hand. The delegation, as the guest of the All-China Women's Federation, arrived here May 3.

Hu Yaobang Meets With Groups

OW151340 Beijing XINHUA in English 1330 GMT 15 May 82

[Text] Beijing, May 15 (XINHUA) -- Chairman Hu Yaobang of the Central Committee of the Communist Party of China met with a women's delegation from Zambia and another from Burundi at Zhongnanhai here today. He said that the China visit by the two delegations shows in a way the intimacy and unity of Third-World countries. The exchange of visits among peoples of the Third World demonstrates unity, mutual trust and support. He said: "The Third-World countries, having similar experience in the past, will share the same destiny in the future. Our present common task is to unite, safeguard our own independence and world peace and oppose imperialism, colonialism and hegemonism. At the same time, energetic efforts should be made to develop our national economies to provide a better guarantee for our national independence. Women are a great force in this endeavor." He expressed the conviction that the unity and friendship between China and the African countries would continue to develop.

The Zambian women's delegation is led by Mme. B.C. Kankasa, member of the Central Committee of the United National Independence Party of Zambia and executive secretary of the Zambian Women's League. Prior to today's meeting, she had transmitted to Hu Yaobang a letter from Zambian President K.D. Kaunda. Hu Yaobang asked Mme. Kankasa to convey his written reply and his best regards to President Kaunda upon returning home. The Burundi women's delegation is led by Mme. Kandeke Euphrasie, member of the Political Bureau of the Party of Unity and National Progress and secretary general of the Women's Union of Burundi. At the meeting, Hu Yaobang asked her to convey his best wishes to Burundi President J.B. Bagaza upon returning home.

Kankasa and Euphrasie outlined their impressions of the China visit. They agreed that the visit deepened mutual understanding and enhanced friendship between their own people and the Chinese people who are working heroically for progress. The two women leaders also conveyed the regards for Hu Yaobang from President Kaunda and President Bagaza.

Present at the meeting were Chinese Vice-Minister of Foreign Affairs Wen Yezhan, Deputy Head of the International Liaison Department of the CCP Central Committee Li Shuzheng, Vice-Presidents of the All-China Women's Federation Huang Ganying and Lin Liyun, Zambian Ambassador to China W.R. Mwendela and Mrs. L. Mwendela and Burundi Ambassador to China Sylvere Gahungu and Mrs. Agnes Gahungu.

TRADE UNION GROUP LEAVES ZIMBABWE FOR BOTSWANA

OW191912 Beijing XINHUA in English 1844 GMT 19 May 82

[Text] Harare, May 19 (XINHUA) -- The delegation of the All-China Federation of Trade Unions led by its deputy chairman, Chen Yu, left here for Botswana after concluding its one-week visit to Zimbabwe. During their stay here, the Chinese trade unionists visited factories, schools and hospitals and exchanged views with their hosts on trade union activity. Zimbabwean Minister of Labor and Social Service Kangai met the Chinese guests and had a friendly talk with them yesterday.

XINHUA CORRESPONDENT VIEWS FALKLANDS CRISIS

OW200812 Beijing XINHUA in English 0752 GMT 20 May 82

["Commentary: Performance of Superpowers in Malvinas (Falkland) Conflict" -- XINHUA headline]

[Text] Beijing, May 20 (XINHUA correspondent Tang Tianri) -- Nearly 50 days have elapsed since the eruption of the British-Argentine conflict over the Malvinas (Falkland) Islands. The two superpowers have been following it closely and exploiting it fully for their own interests. The United States first tried to mediate and then openly supported Britain and imposed sanctions against Argentina. At first, the Soviet Union tried to appear fair and objective but later turned to support Argentina and criticize the United States and Britain with growing bitterness. The changes of the U.S. and Soviet attitudes have thus cast over the Malvinas conflict a shadow of superpower contention. The attitudes of the United States and the Soviet Union reflect their strategic designs.

At the beginning, the United States viewed both sides in the dispute as treaty-bound allies. Hence the intense U.S. mediation efforts to avoid damage to its relations with the two sides. But as the U.S. proposals were essentially beneficial to Britain and created conditions for direct U.S. intervention in the strategic Malvinas, they were turned down by Argentina. The failure of mediation was followed by open U.S. support for Britain. Washington has thus revealed its appraisal of Britain as more important than Latin America on its chessboard of global strategy. Washington's open support for Britain has aroused growing resentment among Latin American countries and impaired its relations with them -- an unwise move in the view of some U.S. political figures.

From what filtered through the Soviet press, the escalation of the Malvinas crisis is viewed by Moscow as a golden opportunity. Shortly after the conflict broke out, the Soviet central T.V. station put on an unbiased appearance. It called for British withdrawal from the Malvinas while criticizing Argentina for using force. Argentina, it said, covets parts of the Antarctica, and the occupation of nearby islands helps enhance its position in its designs. But later on, Moscow put an abrupt end to its apparent objectivity in the wake of growing Latin American resentment to the U.S. position on the crisis and the appeal of some NATO members for a peaceful settlement. Since then, it has adopted the following tactics:

First, to launch a propaganda campaign against the United States, branding the U.S. action as anti-Latin American. The Soviet paper IZVESTIYA maintained that essentially, the Malvinas conflict is also one between the United States and Argentina. According to a TASS report, during talks with a Nicaraguan delegation on May 4, Leonid Brezhnev made known the first official Soviet view on the British-Argentine conflict with a single comment: "The imperialist nature of Washington's policy towards Latin American countries has been given further evidence by the British-Argentine conflict over the Falkland Islands." Moscow also seized the opportunity to present itself as a "friend" of Latin American countries by pledging solidarity with Latin American "patriotic and democratic forces" in opposing the United States (TASS, May 4).

Second, to drive a wedge deeper between Western Europe and the United States by exaggerating their differences on the British-Argentine conflict. Moscow accused the United States of disregarding the national interests of West European countries by involving them in the Malvinas crisis (TASS, May 7). It claimed that the West European countries did not necessarily want to act in the interest of Britain at the cost of their own relations with the Latin American states (SOVIET RUSSIA, May 9) and that the West European countries were seeking a way to extricate themselves from blindly following Washington's policy (SOVIET RUSSIA, May 9).

The Malvinas crisis is now at the crossroads between peace and war escalation. This situation, indeed, calls for close attention.

COMMENTATOR STRESSES AIDING POOR COMMUNES

HK200643 Beijing RENMIN RIBAO in Chinese 18 May 82 p 1

[Commentator's article: "Enthusiastically Assist Poverty-Stricken Communes and Production Brigades and Teams"]

[Text] This paper carried a report today on how victory No 1 production team of Changan County was transformed from a rich into a poor production team. The report put forth an important problem of the existing rural work and it is worthwhile to read it.

Victory No 1 production team was once a famous advanced team. During the cooperative period, it built its enterprises through arduous efforts. Everybody was concerned about it and supported it. Based on the life of this production team, author Liu Qing wrote "The History of the Pioneers" to praise its achievements in transforming a poor production team into a rich one during the initial stage of the cooperativization movement. During the 10 years of internal disorder, this production team was seriously disrupted by "leftist" policies and was again transformed into a poor production team. Up till now, it is still in straitened circumstances. However, this has not drawn the attention of the people for a relatively long period of time. The resolution on agricultural problems which was issued at the 3d Plenary Session of the 11th CCP Central Committee called for the whole party to "concentrate its efforts on promoting a speedy development of the country's very backward agricultural situation," so that the peasants who comprise 80 percent of the country's population would be able to get rich through joint efforts and through arduous work. It is now 3 years since we implemented the policies stipulated at the third plenary session. However, people have not paid due attention to the fact that the once famous rich production team several kilometers away from Xian municipality has now been transformed into a poor production team. This has given us much food for thought.

Since the third plenary session, the party's policies of enlivening the rural economy have scored significant results and there have been satisfactory changes in the rural areas. Many communes and brigades that have been in straitened circumstances for a prolonged period of time have now started to lift themselves out of poverty and embarked on the road to prosperity. The total number of production teams like victory No 1 production team is on the decrease. However, we must note that to a certain extent, poverty-stricken communes and brigades still exist. Over the past few years, their production and living standards have not improved much. A small number of them have not made any improvement at all. It is precisely in these areas that our inadequacies are concentratedly manifested.

Over the past few years, the rural economy has taken a turn for the better; the income of the peasants has increased and their living standard has improved. This tallies with the actual situation. However, this is not an all-sided point of view. Let us take grain production as an example. Under the circumstances that serious natural disasters occurred in a number of districts in our country last year, the production of grain has increased by 1.4 percent over 1980 with a net increase of more than 10 billion jin. This is an excellent situation. However, the increase of production varies in different localities and only a small number of have increased production by a large margin. Although some localities have had a relatively rapid increase in production, poverty has not been eased because their foundation is weak and they have been in straitened circumstances over a prolonged period of time. Some localities, communes and brigades suffered a decline in production last year and they are now confronted with great difficulties. For example, quite a number of peasants in victory No 1 production team of Changan County were short of food last winter and this spring. Let us have a look at the peasants' income. According to the sample investigation of the State Statistical Bureau, the average annual income of a peasant (including income from agricultural and sideline occupations and income after redistribution) is 223 yuan, an increase of 16.8 percent over the preceding year. Such a large margin of growth is unprecedented since liberation. However, there are differences in peasants' income. The average per capita income can be as much as 500 to 1,000 yuan annually and it can be as little as 10 or 20 yuan.

The Shaanxi Provincial CCP Committee seized the typical example of victory No 1 production team and the first secretary himself personally analyzed the situation and conducted in-depth investigations to sum up experiences. They were resolved to give priority to assisting the poor communes and brigades and treated this as an important task of rural work this year. This is an imperative task.

We must not simply give money or commodities to the poverty-stricken communes and production teams and brigades or simply make arrangements for the policies and measures. First of all, we must resolutely implement the party's various policies for the rural areas and carry out meticulous personnel work. In particular, we must devote efforts to doing a good job of straightening out the leadership groups in communes and brigades and to correct the confused ideas in the course of carrying out the policies for the rural areas. The fact that victory No 1 production team was transformed from a rich production team into a poor one was due to problems in the leadership group. During the 10 years of internal disorder, a relatively good leadership group had been attacked and destroyed. The situation has not improved over the past few years because the cadres of the leadership group who came to power after readjustments are lazy and they are only interested in seeking private gains. They have not implemented the responsibility system but still carry on with the old practices. They do not grasp production nor do they promote scientific cultivation. Very often they do farm work in the wrong season. In this case, how can they mobilize the enthusiasm of the masses, promote production and lift themselves out of the straitened circumstances? One of the major tasks of the existing work in the rural areas is to establish a leadership group at the grassroots level that will resolutely implement the four basic principles, act according to the line stipulated at the third plenary session and be trusted by the masses. If the leadership group is weak and incompetent, loosely organized, and lacks a good work style, the party's policies will not be correctly implemented. If we do not put an end to the bureaucratic practices and the lax and weak leadership in the relevant leadership departments, we will not be able to rectify the leadership at the grassroots level. In order to rapidly assist the poverty-stricken communes and brigades to take on a new outlook and to do a good job of various tasks in the rural areas, CCP committees at all levels must devote major efforts to strengthening the training of the rural grassroots cadres and be resolute in promoting the building of the leadership group at the grassroots level so that they will genuinely become the key and the fighting bastion which promote unity and guide the masses to advance in the correct direction.

EDITORIAL URGES PROMOTING PRIMARY EDUCATION

HK200632 Beijing RENMIN RIBAO in Chinese 17 May 82 pp 1, 4

[Editorial: "Greatly Strengthen Educational Undertakings in Rural Areas"]

[Text] Strengthening educational undertakings in rural areas is an urgent and great task. The party and the government have always shown great concern for the development of educational undertakings in rural areas. Since the party's third plenary session, the central authorities have issued many directives on this type of development. The draft of the revised PRC constitution which was adopted recently by the NPC Standing Committee attaches great importance to the education issue. According to the draft of the revised constitution, citizens have the right and obligation to receive education. The state operates, and encourages nongovernmental bodies to operate, various types of schools in order to wipe out illiteracy, universalize primary education and develop secondary, vocational and higher education. The discussion on the draft of the revised constitution and the adoption and implementation of this draft will give an impetus to the development of education in our country and particularly to the development of educational undertakings in rural areas.

Although the educational undertakings in our country's rural areas have achieved great successes, they are still very backward. At present, primary education has not been universalized in most rural areas.

Following the implementation of the agricultural production responsibility system, some areas have failed to solve in a timely manner some new problems in this work. As a result, there has even been a decline in the school attendance rate of children of school age. There are still many illiterates among adult peasants. Quite a few areas have not effectively carried out work to eliminate illiteracy and the sparetime cultural and technical education. Our secondary and higher education accounts for a very small proportion of the whole educational system. This is not keeping pace with our population of 1 billion including 800 million peasants. The contradiction between these backward conditions of our rural education and our modernization programs are becoming more and more salient.

The building of our socialist material civilization and spiritual civilization must proceed on a proper cultural and educational basis. If we do not greatly develop our educational undertakings, building our country into a modern socialist power with a high degree of democracy and civilization is nothing but a fine wish.

It is a pity that many comrades so far still fail to understand the education issue. Although some comrades have paid lipservice to the argument that agricultural development depends on science, they do not understand that the development of science depends on education. In fact, the backwardness of education is the source of the backwardness of agricultural science and technology. It is inconceivable that illiterates and those who have become literate but have not received agricultural and technical education should master modern agricultural science and technology and scientific management knowledge. Although some comrades also want to grasp the building of spiritual civilization, they do not attach importance to educational undertakings. The scale and the level of the development of educational undertakings are precisely important signs of the degree of civilization in a society. In building spiritual civilization in our rural areas, we still have to do a lot of work, such as strengthening ideological and political work, perfecting our socialist democracy and legal system and raising the scientific and cultural levels of our peasants. If we have a large number of illiterates and if our people's cultural level is very low, our country will not be lifted out of ignorance and backwardness. In short, to build our material civilization and spiritual civilization, it is quite necessary to strengthen our educational undertakings in rural areas.

To strengthen our educational undertakings in rural areas, we must now do well in grasping the following major tasks:

1. Uphold the guiding principles for universal education in rural areas. Children of school age must enter primary schools and must not discontinue their schooling before graduation. In 1980, the party Central Committee and the State Council issued a "Decision on Certain Issues Concerning the Universalization of Primary Education," saying: "During the 1980's, the whole country should basically realize the historical task of universalizing primary education. Areas where the conditions exist may also universalize junior middle school education." The decision also provided policies and measures for realizing this historical task. It is imperative to guarantee fulfillment of this task.
2. Strive to do well in running educational undertakings for peasants; adopt varied forms such as evening schools and winter schools which are popular with the peasants; eliminate illiteracy among adult peasants; and help adult peasants make up the cultural and technical lessons they have missed.
3. Develop in a planned way agricultural vocational education and secondary agrotechnical education including agricultural middle schools, agrotechnical schools and agricultural polytechnic schools; and offer agricultural courses in ordinary middle schools.
4. Colleges and universities should train more people with professional skills such as agrotechnicians, forestry professionals, medical doctors and teachers for rural areas. Colleges and universities will gradually enroll more sons and daughters of the peasants who will return to rural areas after graduation.

Here we would like to stress issues concerning the universalization of primary education. Universalizing primary education in rural areas is the foundation of the whole rural educational cause. Due to the quick development of our agriculture at present, the great majority of our peasants, communes and brigades have received increases in their income. As a result, the peasants have become more eager for studying culture and science and for setting up educational undertakings. This is very advantageous to universalizing primary education and to developing other types of education in our rural areas. New trends have already emerged in the development of educational work in some areas. We must achieve a full understanding of this kind of favorable situation and energetically promote the universalization of primary education. Following the implementation of the production responsibility system, new problems have emerged in the universalization of (primary) education. The following are some of these problems: How are we to fix remuneration for teachers of schools run by the local people? How are we to resolve the contradiction between the teachers' teaching work and their participation in agricultural labor? How are we to raise funds for building schoolhouses and for making improvements in schools? How are we to solve the problems created by some peasants who make their sons and daughters do auxiliary labor and are not willing to send them to schools? With regard to all these problems, we should make a thorough investigation and study and properly solve them. Quite a few areas have already gained successful experience in solving these problems. The masses in Yunnan's Luliang County have raised funds for building primary schoolhouses on a large scale; Yunnan's Jinggu County has adopted a flexible and diversified teaching system to develop rural education; Hubei's Guangji County has simultaneously eliminated illiteracy and ignorance of science; and Shuhe commune in Shanghai's Chongming County has established an educational network which suits the needs of the rural development. All these are effective measures to strengthen the educational undertakings in rural areas.

Due to the fact that one area's local conditions are different from another's, it is imperative to take such measures that are suitable to local conditions. However, every area must adhere to the following principles: guarantee that the teachers' income will be increased when the peasants' income has been increased; guarantee that the teachers will be allowed to concentrate their energies in carrying out their teaching duties and that their participation in agricultural labor will not affect their teaching duties; guarantee that investment in education will be gradually increased and that the methods for running schools will be improved; and convince the peasants that they should subordinate immediate interests to long-term interests, that they should actively send their sons and daughters to schools and that they will not be allowed to force their sons and daughters to discontinue their schooling before graduation. With regard to some children who do have problems in attending full-time primary schools, we should assist them in solving their problems by adopting one of the following forms: half-day schools, mobile schools; morning, afternoon or evening classes, and tutoring students at their homes. By doing so we can enable these students to receive education. It is true that universalizing education in the rural areas of a big country like ours requires a period of time and the adoption of some measures. It is also imperative to make some adaptations in areas where economic and cultural conditions are particularly backward. However, we must first be determined to implement and uphold the principles for universal education. Although there are difficulties, we must not take a vacillating attitude toward the principles nor must we slacken our efforts to implement and uphold these principles. Under this premise, we should actively discover measures for universalizing education that are suited to the current rural conditions. By doing so we can advance steadily, achieve the goal of universalizing primary education throughout the country in the 1980's, and attain the goal of universalizing junior middle school education in areas where conditions exist.

Now is the time to greatly strengthen educational undertakings in rural areas. It is also now possible to do so. We should be confident of fulfilling this task. We hope that the whole party and the whole society will go all out to fulfill this task!

GUANGMING RIBAO VIEWS SOCIALIST PLANNED ECONOMY

HK190701 Beijing GUANGMING RIBAO in Chinese 9 May 82 pp 1, 3

[Article by Xue Xin [5641 5640] and Ma Biao [7456 7516]: "It Is Imperative To Practice Planned Economy If We Are To Adhere to the Socialist Path"]

[Text] In recent years, a great deal of discussion has evolved in China centered on the question of reforming the economic system. As a result of the practice of local reform, this discussion is gradually developing in depth. One important question of principle involved in this discussion is: how to understand and handle the socialist planned economy. This not only has a bearing on how to understand the Marxist theory of the planned economy, but also on how to correctly sum up the practice of our socialist planned economy and how to adhere to the socialist road in our modernization so that the national economy will develop smoothly along the correct orientation. Therefore, there is a necessity to examine this question in depth. Below are some of our views.

Planned Economy Is the Essential Feature of a Socialist Economy

How can we understand the essential feature of a socialist economy? For the sake of distinguishing this question in theory, we must study again the theses of the writers of the Marxist classics.

In the 1840's, when Marx and Engels were in the initial period of jointly creating their theory of scientific socialism, they made this prediction of the future "new social system": "All production departments will be controlled by the whole society, or in other words, for the sake of common interests management will be based on a general plan and carried out with the participation of all members of the society." By the 1870's, they further pointed out: "With the seizure of the means of production by society," "the anarchy within social production is replaced by conscientiously planned organization" and "the producers will consciously engage in social labor in accordance with a common and rational plan." They held that this was the goal drawing the great economic movement of the 19th century. ("Selected Works of Marx and Engels," vol 1, p 217; vol 3, p 323 and vol 2, p 454)

Very clearly, a socialist economy is established on the basis of public ownership of the means of production, and a planned economy is carried out for the sake of the common interests of society. This was not a conjecture made by Marx and Lenin but a scientific conclusion obtained by them in accordance with the law governing the economic movement of capitalist society.

As everybody knows, the impetus given by the capitalist system to production has become exceedingly socialized. From decentralized and small-scale individual production, it has changed into centralized and large-scale social production. The division of labor in society has become smaller and smaller, the extent of cooperation has become broader and broader and ties between various enterprises and departments have become closer and closer. This means that production is more and more of a social nature. This objectively requires the coordination of the production of the whole society in an organized and planned manner so that a suitable proportion will be maintained between various departments of the national economy. However, the means of production of capitalist society belong to the capitalists, and more and more become concentrated in the hands of a handful of monopoly capitalists or monopoly groups. Therefore, production can only be organized and planned in individual enterprises and individual companies, but the production of the whole society is unorganized and in a state of anarchy. The various proportionate relations required for the development of the national economy can only be achieved by means of competition among the capitalists, spontaneous regulation of the law of value, cyclical economic crises and coercive measures. In other words, the capitalist economy is a market economy dominated by the laws of competition and anarchy in production. That will inevitably often give rise to confusion and waste in both production and circulation.

To break away from this condition, we must replace capitalist private ownership with socialist public ownership and must use a planned economy in place of anarchy in production. The founders of scientific socialism held that this is a trend of historical development independent of people's subjective will.

Since the death of Marx and Engels, scientific socialism has gradually developed from theory into reality. As a developer of the socialist cause, Lenin had, under the new historical situation, enriched and developed the scientific principles expounded by Marx and Engels. He pointed out: "the inevitability of the replacement of capitalism by a new social order, which will establish the planned regulation of the economy." He stressed: "Socialism is inconceivable without planned state organization, which keeps tens of millions of people to the strictest observance of a unified standard in production and distribution." "Collected Works of Lenin," vol 35, p 555 and "Selected Works of Lenin," vol 3, p 545) Here, Lenin regarded the planned economy as the essential feature of a socialist economy. This means that if a planned economy is not carried out on the basis of public ownership, and if production and distribution are not for the sake of common interests and carried out in accordance with the general plan regarding the products required for the subsistence of members of the whole society but for the interests of individuals and groups, then departmentalism, decentralism and the trend of liberalization will grow in the economic sphere, a state of anarchy of blind competition and blind development will become rampant again as in the case of capitalist society, and the achievement of socialism will be out of the question. We can say without reservation that the practice of a planned economy is a question of fundamental principle of adhering to the socialist road.

There is a kind of view which holds that planned economy is not socialist ownership but an inevitable trend of socialized mass production. They hold that some developed capitalist countries are now also practicing planned economy, and moreover, their degree of planning is very high. However, as it is restricted by the capitalist system, it still cannot break away from the market influence. This kind of view has confused the economic intervention of bourgeois countries with the socialist planned economy.

The planned economy is a national economy consciously managed by society based on the demand of objective economic law and in accordance with a predetermined plan. It does not refer to the planning of individual enterprises and departments, but to the planning of the entire process of production, distribution, exchange and consumption of the whole society. It is a socioeconomic system established on the basis of public ownership of the means of production. Countries practicing a planned economy must draw up and implement various economic plans, including fiscal, medium-term and long-term plans. However, the planned economy practiced by some countries may not necessarily be a planned economy. After World War II, although such developed capitalist countries as West Germany, France and Japan drew up all kinds of economic guidelines and plans and energetically strengthened state intervention over socioeconomic life, any economic plan of the capitalist countries can only play a role to a certain extent and to a certain degree, and at the very most, it can only be a kind of anti-crisis measure to temporarily mitigate some contradictions. Basically speaking, the so-called economic plans of bourgeois countries are in the service of monopoly bourgeoisie. However, because of the acute contradictions existing among various monopoly groups, plans are only implemented when they serve the interests of a certain monopoly capitalist group. Conversely, no matter how the plans may be needed by society and how they may coordinate production and conform to law, they will inevitably devise means of smashing all these to pursue and achieve their own goal. The reason? Because they are privately owned, their actions are motivated by the pursuit of the greatest profit. Therefore, under the capitalist system, the carrying out of conscious social regulation over production for the sake of public interests is basically out of the question, and the practice of a planned economy is also out of the question. The whole society must carry out production in a unified and planned manner on the basis of consciously understanding and mastering objective laws, and it is imperative to replace capitalist private ownership with socialist public ownership.

After the establishment of socialist public ownership when the whole national economy has become a unified entity with a unanimity of fundamental interests, it is imperative to carry out unified planning, management, organization and consumption of the whole society. Otherwise, socialist public ownership will deteriorate. Therefore, the planned economy is inseparable from the socialist system. In "Problems of the Soviet Socialist Economy" written by Stalin in his latter years, he profoundly expounded: "There is a law governing the planned development of the national economy. It is the antithesis of the law of competition and anarchy in production under the capitalist system." "The reason for its role is because the socialist national economy can only be developed on the basis of the economic law governing the planned development of the national economy." ("Selected Works of Stalin," vol 2, p 544) This is the development of scientific socialism.

As we have so strongly stressed the necessity of carrying out a planned economy on the basis of public ownership and stressed that a planned economy embodies the essence and superiority of a socialist economy, are we depreciating the significance of commodity production and commodity exchange? The answer is, of course we are not. The CCP Central Committee has not only affirmed the necessity of carrying out a planned economy on the basis of public ownership, but has also affirmed the energetic development of socialist commodity production and commodity exchange. This is the correct conclusion obtained by learning from historical experiences and lessons. One important policy of the reform of the economic system we are carrying out is to fully take into consideration and apply the law of value in promoting production and circulation and to apply such economic levers as profits, prices, interests and taxes in promoting the enterprises to strengthen economic auditing, develop urban and rural commodity production and commodity exchange and expand foreign trade.

The social productive forces of our country are still not highly developed at the present stage, there are still the two kinds of socialist ownership of the state and the collective, and various production units of the state-run economy to a certain extent still have different economic interests. Under these conditions, there is an objective inevitability for the existence and development of commodity production, and the planned socioeconomic system must still draw support from the form of commodity exchange. In the past, under the influence of erroneous leftist ideas, the adoption of an irresolute, suspicious and even negative attitude toward commodity production and commodity exchange, which objectively exist in socialist society and should be energetically developed, was wrong. However, it is also inappropriate to regard the commodity economy as the essential feature of a socialist economy.

The economic feature should reflect the nature of the socioeconomic system. Commodity production, which emerged in the latter period of the primitive society a long time ago, has by now a history of several thousand years. Yet it has never determined the nature of any socioeconomic system. Even in the capitalist society with such a high degree of development in commodity production, not only have all products of labor become commodities, but even the labor of the people has also become a commodity. Marx also did not regard the commodity economy as the essential feature of capitalist economy. On the contrary, he exhorted the people to pay attention; so that the distinction between the capitalist mode of production and other modes of production lies not in the production of commodities, but in the transformation of labor into commodities and the manifestation of labor as wage-labor. ("Collected Works of Marx and Engels" vol 25, p 994) Therefore, we cannot use whether or not a commodity economy is implemented to explain the nature and feature of a pattern of socioeconomic system, and what is more, we cannot regard commodity production and commodity exchange as the basic features of a socialist economy.

The Planned Economy Has Demonstrated Tremendous Superiority in China

China, with a population of nearly a quarter of the world's people, has stepped into socialist society, established socialist public ownership and carried out a socialist planned economy. This is a flying leap of far-reaching significance in the progress of mankind.

When completing the socialist transformation of the private ownership of the means of production in China, Comrade Mao Zedong said: "The development of mankind goes back hundreds of thousands of years, but here in China it is only today that conditions have been secured for the planned development of our economy and culture." ("Selected Works of Mao Zedong," vol 5, p 250) This thesis is completely correct. In China, precisely because of the establishment and consolidation of the people's democratic dictatorship which is based on the worker-peasant alliance and led by the working people, or the state power of the dictatorship of the proletariat, we have established the leading position of the socialist state-run economy over the whole national economy by means of confiscating bureaucrat capital and buying out national capital. Generally speaking, this kind of state-run economy is already socialized mass production. Its main components already have a certain level in production and technology and its controls the lifeline of the national economy. At the same time, by taking the path of the cooperative movement, we have organized the ocean of the individual economy into a socialist collective economy closely linked to the socialist state-run economy. In this way, for the sake of the public interest, our country is able to manage the economy, culture and other undertakings in accordance with a general plan.

Some comrades have negated this point. They hold that as our national economy is backward and the degree of socialized production is not high, we do not have the conditions for practicing a planned economy at the present stage, and only with the full development of the productive forces can we practice a planned economy. Some people have even declared that practicing a planned economy in our country is a kind of daydream and an artificial coercive system contrary to objective laws. This kind of viewpoint is untenable.

No doubt, socialized productive forces are the material prerequisites for practicing a planned economy. Before the appearance of socialized mass production, it is impossible to raise the objective demand of using a unified plan to regulate the production of the whole society. However, in observing and studying the question of the relations between socialized mass production and the planned economy, we do not have to raise the whole national economy to a highly socialized plane, but we should see whether or not socialized mass production occupies the leading position in the national economy and whether or not the socialized productive forces are owned by society. Generally speaking, the present level of development of our productive forces is still not high enough, and moreover, there are also great imbalances existing side by side from the tools of handicraft to the tools of modern production. In this kind of unbalanced development, the degree of socialized production has already reached a certain level. In particular, such industrial departments of our economy as industry, communications and transportation and construction are almost all socialized mass production, and the technical equipment of their main parts is comparatively advanced. They already have modern large-scale machinery and automatic mechanical systems, and moreover, these socialized productive forces are in the hands of the state. By means of financial, taxation and banking organs, the state can centralize the various funds of society and carry out planned distribution. The state has also established material distribution organs and commercial networks throughout the country. The production of the agricultural collective economy and the purchasing and marketing of farm produce are also basically carried out under the planned guidance of the state. Market prices are controlled by the state. In short, the state is in control of the lifeline of the whole national economy. Precisely because of this economic fact, the practice of a planned economy is of decisive significance. The viewpoint which asserted that our country does not have the conditions for practicing a planned economy is groundless. The comrades who support this viewpoint have obviously forgotten this question of historical condition in their discussion: our country has been practicing a planned economy for 30 years.

Our historical experience shows that the socialist planned economy has many remarkable advantages in our country.

First, the stability of the people's livelihood has been guaranteed.

When expounding the Marxist principle of historical materialism, Engels said: "A simple fact, which was neglected before, that mankind must first of all eat, drink, have shelter and clothing, that is, must engage in labor, before it can pursue politics and be engaged in political, religious and philosophic activities -- the authority of this simple fact in history has finally been recognized." ("Selected Works of Marx and Engels," vol 3, p 41) New China was founded on the shambles of devastation and disasters. There was instability of prices, inflation, unemployment and famine everywhere, in urban and rural areas, and the people were greatly upset. Under such circumstances, if the CCP failed to create the most fundamental living conditions for the people, such as things to eat, to drink and clothes to wear and places to live, the people's life could not have been stable and the people's democratic dictatorship could not have been consolidated, not to mention the socialist economic and cultural construction. However, how can we have solved this knotty problem in a big country with a backward economy and hundreds of millions of people? It is the result of practicing a planned economy, with priority given to the planned purchase and sales of the important products such as grain and cotton, which greatly concern the national economy and people's livelihood. In the process of the successful socialist transformation of private ownership of the means of production, production, the supply of raw materials, the circulation of commodities, employment, wages, prices and so forth were all arranged under a plan. In short, as a result of the planned production, distribution, exchange and consumption, the basic needs of the hundreds of millions of people were satisfied, the antithesis between the rich and the poor was eliminated, the problem of unemployment was solved and the market and prices were kept stable. Thus, the stability of the people's livelihood in the past decades was essentially guaranteed.

Since the 3d Plenary Session of the 11th CCP Central Committee, our party and government have made the utmost efforts to improve the people's living conditions. The peasants' income has been increased by raising the purchase prices of the agricultural and sideline products and reducing rural taxation. The income of staff and workers has been increased by raising wages and bonuses, and 26 million of their children have obtained employment. At the same time, the construction of residential quarters for staff and workers, and urban public facilities, schools and hospitals has been expanded. From 1979 to 1981, the funds the state used to improve the people's living conditions reached more than 140 billion yuan. Besides, as a series of measures have been adopted in readjusting the structure of enterprises, the good situation characterized by constantly developing the production of the means of subsistence has been maintained. Owing to this significant policy decision, economic life in our society was rapidly revived, which laid a sound economic foundation for the political situation of stability and unity. The reason we could achieve these remarkable successes in such a short period of time is that we have displayed the advantages of the socialist planned economy. Just think, if the planned economy were not practiced in our country and all important products that concern the national economy and the people's livelihood had not been produced and circulated in a planned way, if everyone had to seek employment all by themselves and everything concerning people's food, drink, shelter and clothing was controlled by the ups and downs of the prices of the free markets, what would have happened in China's situation? Obviously China would have returned to the old society or become the same as the countries in the modern capitalist world. The consequences would be dreadful to contemplate. Of course, with the present development of our productive force, it is impossible and unnecessary to solve all the problems concerning the livelihood of 1 billion people. However, it is imperative that we make planned arrangements to control the principal aspects of the people's livelihood. This is essential for the stability of a country, or a society. Taking the whole situation in the past 30-odd years into account, in spite of the serious turbulence in the "Great Cultural Revolution," our country is still, politically, one of the most stable countries in the world. This is certainly the result of giving play to the superiority of the planned economy.

Second, an independent and relatively perfect industrial productive system and national economic system have been established.

As everyone knows, there was a very small proportion of modern industry in old China's national economy and it was of a colonialist or semicolonialist nature. In other words, it mainly consisted of light industry, most of which were processing industries relying on the import of materials from other countries. Although we also had some heavy industry, most of it consisted of repair factories serving the imperialist countries or mines and factories providing the imperialist countries with raw materials and semifinished products. When China was liberated, the fixed industrial assets of the whole country were only about 12.8 billion yuan. Starting from 1953, by giving play to the superiority of the socialist planned economy, we made every endeavor to accumulate all the funds that could be collected in the national economy and began our planned construction for the building of a powerful socialist material and technological foundation. As a result of carrying out several 5-year plans, a number of steel works and oil bases have been built or expanded, the machine building, automotive, shipbuilding, aircraft and other industries have been established all over the country, the electronics, petrochemical, atomic energy, laser and other new industries have also emerged in China, and the power, coal, textile and other industries have been greatly strengthened, a number of new industrial bases have been established in the broad interior of our country and the minority nationality areas and the railways, highways, water and air transportation, as well as posts and telecommunications have been greatly developed. In 1980, the fixed industrial assets of the whole country reached 410 billion yuan, 2,800 percent of the fixed industrial assets accumulated in old China for nearly 100 years, calculated at original value. At the same time, all forces in the material and technological fields and in financial and economic departments as well as all leading and organizational forces have been amassed and mobilized in a planned way to support agriculture by every possible means. Water conservation facilities have been greatly improved and the production of agricultural chemicals, electricity and machinery has been increased by a big margin. The conditions for agricultural production have been notably improved. Besides, we have also conducted construction in the educational, scientific and cultural fields under the state plan. Our outstanding achievements in nuclear technology, in launching man-made satellites and carrier rockets and in other fields fully show that our industrial and scientific and technological levels have reached a new height. Of course, there are many reasons for such brilliant achievements in our poor and backward country within as little as 30 years. But the practice of the planned economy is undoubtedly a decisive factor.

It is true that we suffered setbacks in practicing the planned economy. We did come across a lot of difficulties after history had pushed our country, which was a vast country with a large population and a complicated and backward economic and cultural basis, onto the socialist path. Our past mistakes in economic work were largely due to insufficient recognition of the actual conditions and difficulties in our country and going beyond what the actual conditions allowed. As we were impatient for success, the control by the state plan, which went into too much detail, was overemphasized and was too rigid while the necessary regulation by market mechanism was neglected. As a result, the development of the national economy in a coordinated way was obstructed and we suffered from losses and waste which should not have occurred. The aim of our economic development, which should have been reached, was not reached, and the people's living conditions were not improved as had been expected. In other words, the setbacks and errors in our past economic work were chiefly the results of the "leftist" guiding ideology. We should not regard these mistakes as mistakes caused by the planned economy. On the contrary, they are results of running counter to the demands of the planned economy, results of failing to reflect the demands of the objective economic laws in our economic plans, such as the basic law governing the socialist economy, the law governing the development of the national economy in a planned way and the law of value. In short, they were results of lacking a scientific spirit in our plans. We must also realize that our past dislocations in the national economy were rapidly changed and the national economy was redeveloped vigorously only when effective measures were adopted to give play to the regulation by plans. This is also an example of the great vitality of the planned economy.

The title of this article, "It Is Imperative To Practice Planned Economy If We Are To Adhere to the Socialist Path," is a basic experience drawn from our practice in the past 30-odd years. To judge whether we are adhering to the socialist road, it is not only necessary to see whether we are safeguarding the socialist public ownership of the means of production and the economic system of distribution according to work, safeguarding the political system of the people's democratic dictatorship (that is, the dictatorship of the proletariat), and the dominant position of the socialist and communist ideologies in the ideological field, but also to see whether the organization and management of the entire socio-economic activities are serving the public interests of the whole society, that is, the immediate and long-term interests of the broad masses of people. If economic activities are not organized and managed in accordance with the public interests of the whole society but in accordance with the partial interests of the enterprises or individuals, we will certainly deviate from the socialist road. In order to truly organize and manage the economy in accordance with the public interests of the whole society, we must practice a planned economy and take the interests of the whole into account. It is inconceivable that deviating from the planned economy and allowing the enterprises and units to act in accordance with their own interests and in an unplanned manner can result in ensuring the public interests of the whole society. We have been adhering to the socialist road. An important symbol is that our socialist economic and cultural construction has been conducted in a planned way for the public interests of the whole society and a foundation has been established for safeguarding the economic and political independence of our country and for building our country into a great socialist country.

A Basic Guiding Principle Ensuring the Smooth Development of Our National Economy

The "Resolution on Certain Question in the History of Our Party Since the Founding of the PRC," of the CCP Central Committee clearly points out: "It is necessary to have a planned economy and at the same time give play to the supplementary role of regulation by market mechanism on the basis of public ownership." This is an important guiding principle for our socialist modernization drive.

How do we correctly understand and implement this guiding principle? This question is being discussed in the theoretical and economic circles. In our opinion, there are three main points in this principle:

First, the planned economy must be practiced on the basis of public ownership. There are two forms of socialist public ownership in our country, the ownership by the whole people and collective ownership. The ownership by the whole people, that is, the ownership by the state, is the leading force in the whole national economy and the foundation for practicing the planned economy. On the condition that the lifeline of our national economy is under the control of state ownership, the collective ownership can and must be developed in a planned way.

Some people hold that the root of the various disadvantages in our socioeconomic life lies in the state ownership and that the nature of the economic reform is to change the state ownership into collective or enterprise ownership. This view is obviously wrong. The various disadvantages in our socioeconomic life were mainly the results of the longstanding "leftist" errors in the guiding ideology in the economic field. Of course, they were also the results of flaws in our economic management system which did not suit our conditions. The reform of our economic system is aimed at reforming the concrete systems and methods in the state management of the national economy, including the reform of the management systems in planning, financial, taxation, price, commercial, supply and foreign trade departments as well as banks and labor and wages departments. It is especially aimed at improving the management systems in enterprises. If we do not carry out economic reform, the development of our socialist economy will be obstructed. However, this reform is not aimed at reforming the state ownership system. Along with the raising of the degree of socialization of our production in the process of large-scale socialist construction, the ownership and management by the state, which represents the whole society, become more necessary.

How can we act counter to the demands of the socialization of production and make socialist state ownership retrogress to collective ownership or any other ownership systems? Without the system of state ownership, the socialist planned economy will have no basis. This is a question to be treated earnestly and seriously.

Second, practice the planned economy. In accordance with the demands of objective economic laws and with needs and possibilities, we must in a planned manner arrange various proportionate relations of the national economy and formulate annual, intermediate and long-term plans for economic development, thus allowing the most effective use of manpower, material and financial resources of the whole society and the minimum consumption of such resources to create more social wealth to satisfy the evergrowing material and cultural needs of society. Based on the different systems of ownership of enterprises and the importance, nature and variety of their products, we must adopt a system that combines plans of a mandatory nature and of a guiding nature. For backbone enterprises bearing on the economic life of the country or the production of important products concerning national planning and the people's livelihood, for the procurement of important agricultural and industrial products and for major construction projects, we must chiefly adopt plans of a mandatory nature. For other enterprises and products, we must chiefly follow plans of a guiding nature. In the latter case, the State Council and various departments make known plans of a guiding nature for the reference and implementation of plan enforcement units. The state chiefly relies on economic policies, the economic lever and economic laws and decrees to guide the economic activities of plan enforcement units, so that such activities are in line with the demands of state plans. But concerning those wrong practices, such as departure from unified state plans, interference and tampering with the unified socialist market, and disruption of the effort to coordinate all the activities of the state like pieces in a chess game, the state must interfere, order prohibition, and forbid anyone to go their own way.

One school of thought holds that the direction in the reform of our economic system should call for our gradually turning plans of a mandatory nature into plans of a guiding nature. This is to say that the state generally imposes a plan of a mandatory nature. Only policy decisions on the macroeconomic activities concerning the strategic problems of the development of the national economy are made. Such a viewpoint is wrong. It is undoubtedly entirely necessary for the state to strengthen planned guidance over macroeconomic activities. In the plans for the national economy, the state chiefly specifies the direction and objectives of development of the national economy, major proportionate relations, the pace of economic growth, the level of development of production of major industrial and agricultural products, the scale of capital construction, the direction of investment, regional distribution, the degree to which the living standard of the people regarding their material and cultural needs is to be raised, the state budget, issuance of currency, the international balance of payments, the prices of important products, major technical and economic policies, and so forth. All these are macroeconomic problems bearing on the national economy as a whole. Only with macroeconomics properly taken care of can the steady development of the national economy be guaranteed. But within the scope of microeconomic activities we cannot completely do away with plans of a mandatory nature either and let all enterprises allow the action of the market and their own interests to determine economic activities in production, circulation, distribution and other fields. It is correct to take presence or absence of plans of a mandatory nature as an important mark of distinction between a planned socialist economy and a capitalist market economy. The problem is that we should strengthen the scientific and predictive nature of plans, bear reality in mind, conduct serious and systematic investigations and studies and put plans on a steady, reliable and feasible basis. If we do not do so and instead get rid of plans of a mandatory nature, with microeconomic activities completely detached from macroeconomic activities and with all enterprises following their own policies, the macroeconomic policy decisions in national plans would come to naught.

Just as in the case of capitalist national plans, this would at most have only the effect of coordination. Meanwhile, given the planned economy, only with things handled by the whole country in a planned manner and with the proportionate and coordinated development of the whole national economy, can enterprises be enlivened. If the whole plan of the state is upset and if the national economy is unbalanced, it is also impossible to make enterprises thrive.

Third, we must give full play to the supplementary role of the market as a regulating factor. So-called regulation by market mechanism essentially means the spontaneous regulating action of the law of value, or the organization of production and exchange by enterprises themselves according to market changes. This chiefly refers to those industrial and agricultural products which cannot be controlled in a unified manner or do not readily lend themselves to such control and which do not involve a high output value but a great variety. Since the 3d Plenary Session of the 11th CCP Central Committee, while doggedly introducing the planned economy, we have given full play to the supplementary role of market forces as a regulating factor and vested different degrees of decisionmaking power in the economic activities of different enterprises. The previous situation of excessive control over production, circulation and other fields has begun to change. The whole national economy has become more active. This has played a positive role in stimulating the development of production, satisfying the varied needs of the people in their everyday life and making up for what is lacking in national plans. We must firmly and unswervingly carry on the tried and true measure of taking the market mechanism as a regulating factor -- doing so on the basis of initial results achieved. In formulating economic plans, we must also fully consider and apply the law of value and pay attention to the role of market mechanism. We must realistically do away with planned production and planned purchase programs detached from market needs. However, as far as the whole national economy is concerned, the planned economy is to be practiced. Regulation by market mechanism can only play a supplementary role within the limits of state policies, decrees, regulations and systems. If such limits are exceeded, the socialist planned economy will be weakened or even disrupted.

Another school of thought holds that since in the current socialist period of our country, the whole of social production is commodity production and the law of value plays a regulating role in the fields of production and circulation, then the economic activities of the whole society should be subjected to overall regulation by market mechanism. Such a view actually means idealizing the regulatory role of market mechanisms. It should be noted that unlike the planned economy, the regulating role of the market mechanism cannot enable us to take the satisfaction of the material and cultural needs of the people's life as a basis and to study problems, make overall arrangements and plans and seek conscious social regulation with the overall interests of society in mind. We also cannot consciously organize economic activities with the long-term interests of the whole country in mind and will suffer from a certain degree of blindness. Just as Marx and Engels quoting the classic British economist Adam Smith said: "Like the goddess of destiny in ancient times, such relations will be elusive and high above the earth and dispense happiness and disaster among people with an unseen hand." ("Collected Works of Marx and Engels," vol 3, p 40). Ours is a unified socialist country. We must have unified plans and a unified domestic market. In no way can we entrust the overall interests of our nation and people to this "unseen hand." This should be a firm and unswerving principle, as far as we are concerned.

The "resolution" also contains the line: "We must energetically develop socialist commodity production and exchange of commodities." How should we also explain this? We believe that in our approach to commodity production and exchange of commodities under the socialist system, we must grasp the following two points: first, we must have everything taken care of. Second, we must be in charge of everything. To have everything taken care of means that the whole society must work on commodity production. Not only do collective production units take up commodity production but also state-run production units do so. Not only do agriculture and light industry take up commodity production but also heavy industry does so.

This is to say that we must develop commodity production and exchange of commodities in regard to both means of production and means of livelihood. To be in charge of everything means that we must take practical measures to put commodity production and exchange of commodities in the orbit of economic plans. That socialist commodity production is built on the basis of the socialist system of public ownership is aimed at satisfying the material and cultural needs of the people's life. This requires that unlike the case of capitalist commodity production marked by blindness and anarchism, our approach must call for getting organized in a conscious and planned manner within the scope of the whole society. Only by putting state or collective commodity production and exchange of commodities in the orbit of economic plans can we ensure their socialist nature. And only in this way can such terms as socialist commodity production and exchange of commodities be so called.

Upholding the implementation of the planned economy on the basis of the socialist system of public ownership is an important mark that distinguishes our socialist system from the capitalist system and other previous exploiting systems. It is a major principle that protects the future development of our socialist economy and socialist society. This has been solemnly put forth by the party Central Committee to the whole party and the people throughout the country. We must seriously study fundamental Marxist theories on the planned economy and sum up in an overall manner the fundamental experiences of our country in implementing the socialist planned economy. We must foster the idea of coordinating all the activities of the country like pieces in a chess game, recognize the overall interests of the state and take the whole situation into consideration. We must achieve the aim of subordinating partial to collective interests and immediate to long-term interests, resolutely overcome departmentalism, decentralism and the tendency toward liberalization in the economic area, and consolidate the front of the planned economy. Now, our party's awareness of the socialist planned economy obviously exceeds the level in any period since the founding of the PRC. The principle of taking the planned economy as the primary factor and regulation by market mechanism as the supplementary one put forth by Comrade Chen Yun embodies this new level of awareness. So long as we firmly and unswervingly carry out the party Central Committee's instructions, unify thinking and take concerted actions, then we can definitely ensure the steady development of our national economy and maintain the socialist orientation of the building of modernization.

ARTICLE VIEWS CHANGZHOU'S ECONOMIC EXPERIENCE

HK191305 Beijing RENMIN RIBAO in Chinese 14 May 82 p 5

[Article by Ren Tao [0117 3447] and Zheng Hongqing [6774 3163 1987]: "Use Economic Methods To Promote Reorganization and Integration of Enterprises -- the Experience of Changzhou Municipality in Practicing Internal Cooperative Pricing" -- capitalized passages published in boldface]

[Text] Among the medium-sized municipalities throughout the country, Changzhou is an advanced model which is making quick progress in promoting coordination between specialized departments and has achieved good economic results. The reasons why Changzhou has been able to do a good job in promoting coordination between specialized departments are manifold, the most important of which is that, with the stabilization of market prices, the municipality has practiced internal cooperative pricing for some products produced by economic integrated entities, regulated the economic interests of various parties in a relatively rational way, and thus vigorously consolidated the results of enterprise reorganization and integration, and facilitated further development.

The Cause and the Measures

The practice of internal cooperative pricing in Changzhou is an objective demand arising from the coordination between specialized departments which has been promoted among enterprises under the current economic system.

In the early 1960's, based on the lessons drawn from the "Great Leap Forward," Changzhou municipality laid down a new path of stepping up the development of the urban economy by giving full play to the established industrial base and by promoting a "coordinated process." In carrying out the coordination between specialized departments in the agricultural machine building industry, this municipality encountered a prominent contradiction in its first "coordinated process" organized in the tractor manufacturing industry. Those components which had formerly been produced by the tractor plant itself were now provided by the coordinating units instead. And, since the market prices of all components were fixed, and also due to some other reasons, the prices of the brought-in components were always much higher than the prices of the ones they made themselves. This really forced the assembly cost up and gave rise to an unreasonable phenomenon that the component producing plants made profits out of the losses which the assembly plant was suffering, and therefore seriously harmed the initiative of the latter. As production in the assembly plant stagnated, production in the component producing plants was forced to slow down in turn. Thus, the coordination between specialized departments failed to give play to its merits, but produced negative effects. In such a case, the mechanism could no longer work.

This phenomenon taught the comrades of the Changzhou Municipal CCP Committee that, in promoting the coordination between specialized departments, solely considering things from the aspect of production is by no means enough. Attention must also be paid to properly regulating the distribution of profits among various enterprises, and the principle of mutual benefit must be upheld. Only in this way can the integration of enterprises obtain a solid foundation. Based on this understanding, they tried the measure of enhancing the integration of enterprises by practicing internal cooperative pricing. Having repeatedly consulted with each other, the tractor plant and its major coordinating partner, the diesel engine plant, reached an agreement on trial implementation of internal cooperative pricing in 1967. According to the agreement, all diesel engines supplied for assembling tractors were to be sold at a 20 percent discount. In other words, the real price was reduced to 800 yuan while the list price was 1,000 yuan. The price was further reduced to 720 yuan later. Moreover, due to improved management, increased mass production and other factors, the production cost of a hand-held tractor was reduced from 2,420 yuan in 1966 to 2,171 yuan in that year, while the selling price was set at 2,500 yuan. In 1970, the tractor plant managed to make up deficits and enjoy profits -- a profit of more than 1.1 million yuan was made after the industrial and commercial tax was paid for the first time.

At the time, the administrative department concerned in Jiangsu Province thought that doing so would reduce the state's financial revenues. So, the department ordered the suspension of the practice of internal cooperative pricing. But, what was the actual situation? In order to find out the truth, our comrades in Changzhou carried out meticulous analysis and calculation. As a result, they found that the profit made from a single diesel engine decreased since the price based on internal coordination was lower than the list price; and consequently the industrial and commercial tax handed over according to the sales volume would decrease as well. However, if the whole "coordinated process" is taken into consideration, it can be found that the reduced profits and taxes on diesel engines were transferred to the tractor plant; and some portion of these transferred profits and taxes turned out to be profits handed over by the tractor plant to the state, while another portion was used to make up the financial subsidies formerly provided by the state to the tractor plant. Therefore, on an overall account, the state's financial revenues were not reduced; and, on the contrary, more financial resources were explored because the coordination between specialized departments had greatly raised the enterprises' overall productivity, increased output and reduced the production cost. Having taken lessons from actual practice, the departments concerned in the province cancelled the previous order suspending the practice of internal cooperative pricing and, instead, vigorously popularized elsewhere the methods adopted by Changzhou municipality.

At present, the practice of internal cooperative pricing has already been enforced among various economic integrated entities and is being constantly improved. All these enterprises have adopted different methods of profit transfer according to their own capital-to-profit ratio and cost-to-profit ratio. In some cases, profits are appropriately transferred from component producing plants with high profit rates to assembly plants with low profit rates; in other cases, profits are appropriately transferred from finished product plants with high profit rates to raw material producing plants with low profit rates.

In implementing internal cooperative pricing, Changzhou has made great efforts to properly handle the relationship between the state and enterprises. All along they have tried to readjust the redistribution of interests among enterprises, with the state's revenues being guaranteed. From an overall consideration, practicing internal cooperative pricing is advantageous to both the state and enterprises. However, if administrative work fails to meet the demand of the changing situation, the state's revenues will be decreased in some fields. In order to avoid this, Changzhou municipality has, on the one hand, strengthened the ideological education in the principle of simultaneously taking the interests of the state, the enterprise and the individual into account, and on the other, strictly enforced financial and economic discipline. As stipulated, any enterprise must submit itself to a joint investigation by the municipal departments of finance, taxation, pricing, and so on, and must obtain their approval before taking part in internal cooperative pricing. At the same time, they also have to complete some application procedures. So, Changzhou managed to prevent some problems which may arise from practicing internal cooperative pricing, and thus make the internal cooperative pricing a real and powerful economic lever in facilitating the integration of enterprises and increasing the state's financial revenues. In view of the present situation of the state's economic system, Changzhou municipality has adhered to the principle of discriminating between member enterprises and nonmember enterprises, namely, the internal cooperative price must only be offered to enterprises inside an economic integrated entity providing each other with components, while the state's current list price will still be applicable to enterprises outside the entity.

Internal cooperative pricing is a redistribution of interests among enterprises. At present, although the price system is unreasonable, it is not ready for change. By asking through consultation those enterprises with relatively high profit rates in an integrated entity to appropriately give away some profits to other enterprises with relatively low profit rates, we can enable all enterprises to equally share profits and harmoniously develop together. For those enterprises which enjoy more profits because of relatively high profit rates, it is by no means easy to accept this arrangement in the beginning. In order to overcome this difficulty, the party organizations at various levels in Changzhou have done a lot of arduous and meticulous ideological work. When carrying out cooperative pricing, they properly gave special consideration to those enterprises with a relatively high profit rate, trying to keep their capital-to-profit ratio or cost-to-profit ratio a bit higher than others; thus they managed to convince these enterprises to voluntarily sign contracts. As a reasonable internal cooperative price can hardly be reached and fixed once and for all, they reviewed the price again and made certain necessary adjustments in light of changes in the actual situation after a period of practice. Therefore, they were able to ensure that all enterprises in an economic integrated entity would voluntarily and conscientiously carry out the internal cooperative prices, and thus speeded up the development of the entity.

The Effect and the Significance

The long practice in Changzhou municipality shows that their direction is correct and good results can be achieved by practicing internal cooperative pricing for some products.

First of all, THIS MEASURE CAN GREATLY SPEED UP THE PROCESS OF COORDINATION BETWEEN SPECIALIZED DEPARTMENTS AND THE RATIONALIZATION OF THE ORGANIZATIONAL STRUCTURE OF ENTERPRISES.

At present, because the price system is irrational, there exists a common phenomenon that prices of components are too high, and assembly plants and finished product plants can hardly make any profit or even suffer losses; or there exists another common phenomenon that the prices of raw materials are too low and, without making any objective effort, finished product plants can easily make excessive profits, of which quite a portion is in fact transferred from raw material producing plants. Both these circumstances will lead enterprises to proceed in all cases from their own interests -- on the one part, some enterprises do not want to increase raw material production; and on the other part, the processing enterprises try every means to develop into "small but complete" or "big and complete" ones. Undoubtedly, both of these forms go against our goal of developing social large-scale production and enhancing the social economic returns. At present, under the circumstances that the conditions for an overall readjustment of the whole price system are still unavailable, to regulate the distribution of profits among enterprises by adopting the expedient measure of internal cooperative pricing will help to pressure enterprises into giving up backward organizational forms of self-supporting systems and all-round plants, and thus voluntarily take the road of integration and coordination between specialized departments. Today, there is basically no all-round plant in Changzhou, and the overall degree of organization of industrial production is quite high.

In the second place, THE PRACTICE OF INTERNAL COOPERATIVE PRICING CAN GIVE FREE REIN TO THE POTENTIAL OF THE COORDINATION BETWEEN SPECIALIZED DEPARTMENTS AND HELP TO VIGOROUSLY INCREASE THE SOCIAL PRODUCTIVE FORCES. Practicing internal cooperative pricing can eliminate, to a certain degree, the negative influence on the production and management in enterprises due to prices being seriously divorced from value. It can push enterprises to combine integration, reorganization and technical reform, and increase profits by enhancing the degree of mass production, raising labor productivity and reducing production cost. Therefore, it can efficiently mobilize the initiative of every part, fully activate the potential of the coordination between specialized departments rapidly, and thus increase social productive force. For example, the Changzhou tractor plant and the Changzhou diesel engine plant, which had long ago established a "production line" coordinating relationship, succeeded in greatly increasing the development speed after implementing internal cooperative pricing in 1967. The production of hand-held tractors rose sharply from 2,125 in 1966 to 23,400 in 1981, an increase of more than 10 times. At the same time the unit cost was reduced from 2,420 yuan to 1,807 yuan, a decrease of 25 percent. The production of diesel engines rose from 6,425 in 1966 to 60,000 in 1981, an increase of more than 8 times; and the unit cost fell from 758 yuan to 471 yuan, a decrease of 38 percent.

As production was developed, the economic results were improved and the profits and taxes handed over to the state were doubled. The two enterprises thus not only managed to make greater contributions to the state but also consequently increased the income of the enterprises themselves as well as of their staff and workers.

In the third place, PRACTICING INTERNAL COOPERATIVE PRICING ACTUALLY MEANS CHANGING THE PROFIT RATES OF ENTERPRISES WITH THE PRICING LEVER. IT THUS ACTS UPON THE PRODUCTION OF THE ENTERPRISES TO A CERTAIN DEGREE AS A REGULATING MECHANISM. As this regulating function only involves the distribution of profits among enterprises and does not affect the market price, it is readily practicable. Therefore, it is of more practical significance and is one of the extremely important measures for enforcing the reorganization and integration of enterprises by economic means. At the same time, as the internal cooperative price is generally closer to the production price (average production cost plus average profit rate per unit of capital) than the previous price, it will redress to a certain degree the malpractice that price is seriously divorced from value. Thus it will be able to reflect more accurately the production and management level of an enterprise.

Of course, we must also be aware that Changzhou municipality has only carried out internal cooperative pricing to a certain extent within various economically integrated entities. With regard to those questions such as whether internal cooperative pricing is feasible for enterprises outside economically integrated entities, what conditions are needed for large scale popularization of the system, how should financial and taxation departments be reorganized to keep up with the changing situation, and so on, thorough studies and investigations still have to be conducted. But, in any case, we can be sure that the coordination between specialized trades and internal cooperative pricing are closely related under the condition that the current price system remains unchanged. Now, while we are enforcing the integration of enterprises along with industrial reorganization, we can gain valuable hints from the experience which Changzhou gained in practicing internal cooperative pricing, and thus more conscientiously adopt various economic methods to solve the problems emerging from enterprise integration.

ARTICLE DISCUSSES ROLE OF STATE CHAIRMAN

HK190956 Beijing ZHONGGUO XINWEN SHE in Chinese 0200 GMT 19 May 82

[Article by Wang Shuwen [3769 0647 2429], duty director of the Jurisprudence Research Center of the Academy of Social Sciences: "Why Does the Draft of the Revised Constitution Reinstate the Post of State Chairman?"]

[Text] Beijing, 19 May (ZHONGGUO XINWEN SHE) Reinstating the post of state chairman is an important characteristic of the draft of the revised constitution. It is also a great event in China's political life. China's 1954 Constitution included a provision for the post of state chairman but the 1978 Constitution did not. This draft of the revised constitution reinstates the provision of the former.

The following provisions on the state chairman's duties in the draft of the revised constitution are the same as those in the 1954 Constitution: Nominates the candidate for the post of premier of the State Council; promulgates laws, appoints and removes personnel on the State Council, confers medals and titles for the state, issues decrees of special amnesty, proclaims martial law and states of war and issues mobilization orders according to the decisions of the NPC or the NPC Standing Committee; and represents our country in foreign affairs, accepts foreign diplomatic envoys, dispatches and recalls plenipotentiaries to and from foreign countries in accordance with the decisions of the NPC Standing Committee and approves treaties concluded with other countries. There are also some differences in the draft of the revised constitution: 1) It clearly stipulates the position of the chairman of the state, that is, he represents the country in both domestic and foreign affairs. 2) It appropriately raises the minimum age of the candidates for the post of state chairman from 35 to 45, in consideration of the fact that this post must be held by a person rich in political experience who also has considerable prestige. 3) It stipulates a term of 5 years for the post of state chairman. The chairman may be reelected, but he shall not serve more than two consecutive terms. 4) It does not stipulate that the chairman of the state commands the armed forces of the country or that he is chairman of the Council of National Defense, because it establishes in another provision the Central Military Commission to command the armed forces of the country. 5) It does not stipulate that the state chairman has the power to convene the supreme state conference when necessary, because in the 1954 Constitution the supreme state conference was allocated to make proposals for state affairs, not decisions, and has been proved to be unnecessary in the political life of our country. All this shows that since the post of state chairman was established by the 1954 Constitution, the situation has changed and it is necessary to make new provisions in the light of our actual conditions and needs.

Reinstating the post of state chairman in the draft of the revised constitution is advantageous to the perfection of China's state system, the maintenance of stability and unity and the advance of the construction of the four modernizations. It is necessary that a large country with 1 billion people have a chairman to represent it in its international contacts. At the same time, facts show that the provision in the 1954 Constitution for the post of state chairman did play a useful role in the political life of our country and was advantageous to the stability and unity of the political situation. During the 10 years of turmoil, this system was sabotaged. After the smashing of the "gang of four," an excellent stable and united situation emerged in our country. Thus, reinstating the post of state chairman will be advantageous to the maintenance and development of political stability and unity and promotion of the socialist modernization drive.

BRIEFS

BROADCAST STATIONS -- According to GUANGMING RIBAO, broadcasting stations have been set up in all of China's municipalities and counties. Seventy-two percent of the production brigades and 65 percent of the production teams have rediffusion facilities. Loudspeakers have been installed in 49 percent of the rural households, totaling approximately 90 million in number. Wire broadcasting is major means of propaganda in the countryside. [Beijing Domestic Service in Mandarin 0900 GMT 11 May 82 OW]

ANHUI'S ZHOU ZIJIAN SPEAKS AT AWARD MEETING

OW190135 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 May 82

[Excerpts] A meeting to sum up the experience in developing five stresses and four beauties and all-people decorum and courtesy month activities and to present awards to the advanced was held this afternoon. (Yuan Zhen), secretary of the Anhui Provincial CCP Committee, presided over today's meeting. To a background of music, the responsible comrades of the provincial CCP committee, the provincial people's government, the provincial people's congress and the provincial CPPCC committee presented awards and citations to 811 advanced collectives and individuals who have distinguished themselves in such activities.

At today's award meeting, Zhou Zijian, acting first secretary of the provincial CCP committee and governor of Anhui, delivered an important speech entitled "Develop the Five Stresses and Four Beauties Activities Extensively, Penetratingly and Persistently; Strive To Develop Socialist Spiritual Civilization." Comrade Zhou Zijian said: Doing a good job in developing socialist spiritual civilization constitutes a basic guarantee for persistently following the socialist road and realizing the four modernizations program. We must regard the development of spiritual civilization as one of our long-term historical tasks. Communist thinking is the core and soul in the development of socialist spiritual civilization. Efforts must be made to foster the thinking of simultaneously developing the two civilizations. To pay attention to the five stresses and four beauties and improve social ethics is essential in developing the socialist spiritual civilization. Comrade Zhou Zijian offered a four-point proposal on how to regularly and systematically carry out the five stresses and four beauties activities:

1. The party committees at all levels, including the basic-level party organizations, must firmly grasp the guiding thought of simultaneously developing the two civilizations. This constitutes the ideological guarantee for developing the five stresses and four beauties activities extensively, penetratingly and persistently and promoting the socialist spiritual civilization.
2. Attention must be paid to the basic-level units. We have the speeches of the central-level leading comrades as our guiding thought. The central authorities and various localities have summed up their experiences in this regard. Another group of new advanced collectives and individuals has emerged. At present, our important task is to consolidate our achievements and further develop such activities in the basic-level units.
3. We must bring into full play the exemplary role of party and CYL members in forming a strong contingent in developing the five stresses and four beauties activities.
4. It is necessary to fully arouse and bring into full play the enthusiasm of all departments and all the people. Various departments must take the initiative in fulfilling their tasks in the development of the five stresses and four beauties activities.

FUZHOU PLA COMMANDER STRESSES IDEALS, TRADITION

OW170135 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 16 May 82

[Excerpts] Braving rain, Yang Chengwu, commander of the Fuzhou PLA units, recently visited the Red 4th Company, where he gave a lecture on traditions and ideals. The Red 4th Company, a Red Army company with glorious fighting traditions, made noticeable achievements in carrying forward revolutionary traditions and in developing socialist spiritual civilization in the past year and was named by the Fuzhou PLA units as a vanguard unit in developing spiritual civilization. Commander Yang then listened to a report on progress made in promoting the "four hases, three stresses and two fearlessnesses" in the company.

Commander Yang said: Building spiritual civilization in PLA units means fostering revolutionary ideals, without which one cannot have a correct sense of honor and the ambition to make progress; without which one may pursue personal gain. Without revolutionary conviction, one can lose the goal and determination to wage struggle, the tenacity to overcome hardship and the initiative to develop courage and wisdom. To help the company study revolutionary traditions, Commander Yang presented his memoir, "In Memory of the Long March," and encouraged the fighters to emulate the Red Army veterans by following in their footsteps and raising aloft the heroic company banner and to advance courageously in the new Long March.

FORMER KUOMINTANG PERSONNEL RELEASED IN SHANGHAI

OW191125 Shanghai City Service in Mandarin 1130 GMT 18 May 82

[Text] In accordance with a resolution adopted by the 22d Session of the 5th NPC Standing Committee on the lenient release of all former Kuomintang party, government and army personnel and special agents at or below the county or regimental level still in custody, the Shanghai Municipal Intermediate People's Court held meetings respectively at the Shanghai municipal prison and the second reform-through-labor contingent on 14 and 18 May to announce the lenient release of all such personnel in custody in the municipality. Those released were granted civil rights and issued release certificates. At the meetings, representatives of those released emotionally expressed their gratitude to the Communist Party and the people's government for educating and redeeming them. They pledged to observe the law and discipline, study harder, continue to remold themselves ideologically, follow the Communist Party's instructions, take the socialist road and devote their energies to the state and the people during the remaining years of their lives.

The public security organ in charge of reform through labor issued a new set of bedding and clothing and 100 yuan in pocket money to each of those released. Those who wanted to go home were provided with adequate travel expenses. Those who have families or relatives to go to and seek refuge with may do so, and proper jobs will be arranged by the departments concerned at their discretion for those who are able to work. Those who are unable to work will be supported by their families or relatives, and those who experience difficulties in livelihood will be given social relief by local governments. The government will make arrangements for those who have neither families nor relatives to go to according to their individual cases. Those who have lost their ability to work will be provided for by the state.

ZHEJIANG'S TIE YING ON ANTICRIME STRUGGLE

OW132124 Hangzhou ZHEJIANG RIBAO in Chinese 3 May 82 p 4

[Article by Zhejiang First Secretary Tie Ying: "Conscientiously Study the 'Decision,' Unify Ideology and Understanding"]

[Excerpts] Since the promulgation of the "Decision on Dealing Blows at Serious Criminal Activities in the Economic Field" of the CCP Central Committee and the State Council, party committees at all levels in our province have carried out timely studies of the "decision." Correctly understanding the guidelines and essence of the "decision" and implementing the "decision" without the slightest deviation are important guarantees for resolutely and correctly carrying out the struggle to deal blows at serious criminal activities in economic fields. Some comrades who lack adequate understanding of the seriousness and the perniciousness of criminal activities in the economic field have said with an attitude of indifference: "Our place is neither an important locality nor a border defense or port area; therefore, there is nothing irregular here." Obviously, such an understanding is one-sided. As a province, it must have some important localities and some ordinary places, but that does not mean that there are no problems in places that are not "important localities," nor does it mean that it is not necessary to carry out this struggle in these places. A great deal of evidence indicates smuggling, trading in smuggled goods, corruption, bribery, speculation and other serious economic criminal activities are quite rampant in some places.

Under the temptation of money, a small number of veteran cadres who were tested in war and a handful of advanced individuals who were repeatedly selected as models have been knocked down by "sugar-coated bullets" and have embarked on the road of crime. It is particularly worth mentioning that a very small number of members of leading bodies have colluded with criminal elements in society and blatantly embezzled property of the state and the collective, thus disarming some of our organizations and units and even making them degenerated and rotten! Their activities have damaged the party's prestige and harmed the relationship between the party and the masses of people. Such situations are truly shocking.

Some people have attributed the problems that emerged in the economic field to the principles and policies adopted and carried out since the 3d Plenary Session of the 11th CCP Central Committee, alleging that they "resulted from the policy of opening to the world and enlivening the domestic economy." Such a belief is totally mistaken. Facts have proved that it is correct to carry out the policy of opening to the world and enlivening the domestic economy. In the last few years, our province's industrial production has continuously developed at a relatively high speed and its agricultural production has eliminated disasters in rural areas despite "adverse weather conditions." Besides, the living standard of commune members has risen year after year and the employment problem of educated young people in the urban areas has basically been solved. All this is a result of implementing the policy of the central authorities. Of course, while carrying out such a policy, some bad things will inevitably infiltrate into our country, some unresolved elements will inevitably degenerate and some illegal elements will inevitably use the opportunity to undermine socialist economic activities. This is nothing unusual.

Some comrades have held that this struggle is nothing more than handling a few cases and punishing some bad persons and that it is not necessary to involve many people. This is a very incomplete understanding. It should be noted that since the implementation of the policy of opening to the world, the influence of corrupt capitalist ideology and bourgeois lifestyle has increased, some imperialist elements have vainly attempted to use the form of "peaceful transition" to change the color of socialist China and some people have even claimed that they will turn some places in our country into societies of luxury and dissipation like Hong Kong. Faced by such bourgeois "perfume and gas," the majority of party members and cadres have maintained the communist's noble quality of resisting corruption and always refraining from being contaminated. However, it is true that some party members' ideology is undergoing a change and a small number of people have been hit by the capitalist "sugar-coated bullets." In view of this situation, the central authorities have pointed out that Communist Party members should keep their communist purity and should never allow Communist Party members' ideological level and political awareness to decrease nor permit themselves to degenerate. This has the same important meaning as the admonition put forward by Comrade Mao Zedong on the eve of the country's liberation to the comrades of the whole party to be vigilant against the attack of "sugar-coated bullets" of the bourgeoisie. Some comrades are afraid that carrying out such a struggle will affect production and bring about deviation from the central task of building the economy. Actually, such anxiety is unnecessary. Serious criminal activities in the economic field are undoubtedly interfering with and sabotaging the central task of socialist economic construction. Our purpose in carrying out this struggle is to eliminate obstacles and guarantee a successful fulfillment of the central task of socialist economic construction.

NANFANG RIBAO ON ENDING INDISCRIMINATE BONUSES

HK130945 Guangzhou NANFANG RIBAO in Chinese 10 May 82 p 4

[Article by Shen Yan [3088 7159]: "Correct Understanding, Put a Stop to Indiscriminate Bonus Payments"]

[Text] Since the practice of issuing bonuses was revived, most units in our province have acted in accordance with relevant policies of the State Council and the provincial government and have seriously carried out work in giving awards. This has played an active role in implementing the principle of distribution according to work, arousing the enthusiasm of the broad masses of workers and staff members, improving enterprise management and operation, promoting the development of production and improving the people's livelihood. However, the phenomenon of indiscriminately issuing bonuses exists in some units. This is a manifestation of the present unhealthy trends in the economic field.

According to investigations, the main aspects of some units in our province which indiscriminately issue bonuses are as follows: First, the funds for bonuses are increased by fair means or foul. Some units do not actively fulfill the state plan, but change without permission the orientation of operations in order to secure extra income. Some violate policies and illegally deal with large quantities of imported goods or contraband. Some exaggerate production costs, and repeatedly issue bonuses for a single reason. Some illegally change state prices into negotiated prices in order to obtain illegal profits. Some illegally raises prices or secretly raise prices and shift the burden to consumers. Some charge at will for services provided and even practice blackmail in order to "increase" income. Second, the relationships between the state, the collectives and individuals are not properly handled. Some enterprises issue as bonuses, or spend on eating, all of the funds allocated from profits which are intended for a respective enterprise's use. They issue as bonuses welfare funds and funds for developing production. Third, various pretexts are concocted for indiscriminately issuing bonuses. In some enterprises, in addition to normal bonuses, there are many as 30 kinds of unaccountable "subsidies." In some enterprises, heavy losses are incurred due to mismanagement. In some cases when bonuses should not have been issued, improper means were used to continue issuing bonuses.

That bonuses can be indiscriminately issued in some units is mainly due to unsound regulations and improper management. No appropriate, overall balance based on the reasons for bonuses has been reached among the province's 10 major trades and professions. There is no scientific basis for determining the percentage of profits to be retained by (or shared among) various enterprises and departments, nor is there a scientific basis for determining the distribution percentage of funds for developing production welfare or awards. The work in this respect is not done carefully and some essential numbers are too low. For a time, the upper limit for bonuses has not been stipulated, and there is no strict supervision. Besides management problems, there are also problems in the party's work style. Some departments and units pay no attention to the instruction issued by the provincial CCP committee and the provincial government that forbids indiscriminately issuing bonuses. Others "take what they need" or even overtly agree but covertly oppose.

In addition to problems of the party's work style and of management, there are also problems of understanding. Some cadres think that "bonuses are almighty" and they try to arouse the enthusiasm of workers and staff members simply by increasing bonuses. Practice has proved that indiscriminately issuing bonuses cannot arouse the socialist enthusiasm of the workers and staff members, but will lead them to becoming "money-minded," losing their sense of responsibility as masters of the country and developing the hired hand mentality of "doing no more than one is paid for."

There are also some cadres who think that issuing more bonuses means "doing more for the people's interests" and that issuing more bonuses always means working harder for the interests of the workers and staff members. This is a one-sided view. We must adhere to the principle of giving consideration to the interests of the state, the collectives and individuals and giving consideration to the immediate and long-term interests as put forth by Comrade Mao Zedong.

The question at present is that we need to improve the livelihood of individuals and to build our country. In order to improve livelihood more quickly, we must maintain the building of our country at a certain speed. This means that we have to maintain a rational proportion between accumulation and consumption. If we use profits or issue as bonuses funds for the enterprise's production that should go to the state treasury, we are acting no wiser than someone who kills a hen for its eggs, and are damaging the fundamental interests of the people.

Some comrades may say that they duly hand over to the state what should be handed over and retain only what should be retained, and ask why they cannot issue more bonuses if they do not violate the law. They think that it is reasonable to issue bonuses. These comrades do not understand that this question involves the relationship with other units. We should say that under normal conditions, profits comprehensively reflect the results of an enterprise's operation. However, since there are still many drawbacks in our existing economic system, including the commodity price system, the supply system and the financial management system, and there are also differences in resources and other conditions, the profits gained by an enterprise cannot, therefore, fully reflect whether the enterprise's operation is good or bad. If we do not take other units into consideration, we are not acting in line with existing economic reality and will harm the overall interests of the laborers as a whole.

Some people think that indiscriminately issuing bonuses is a drawback attributed to the implementation of the special policy for enlivening the economy. We cannot agree to this. It is the CCP Central Committee's wise decision to implement this special policy in Guangdong. The basic demand of this policy is to improve various links of production, distribution, circulation and consumption according to the principles of Marxism-Leninism-Mao Zedong Thought and not to indiscriminately issue bonuses, nor is it to permit dishonest practices. It is wrong to indiscriminately issue bonuses, but it is not wrong to enliven the economy.

We should say that the number of enterprises that indiscriminately issue bonuses is small. However, this has exerted a very bad influence. As a result of this, the growth rate of bonuses greatly exceeds that of other economic targets. Moreover, this has again given rise to workers having unequal shares of comforts and hardships, affected the unity within the ranks of the working class, aggravated the disproportion of market supply and demand and price instability and encouraged unhealthy trends. It is time to resolutely stop indiscriminately issuing bonuses.

We do not oppose issuing bonuses, but we oppose issuing them indiscriminately. In order to give awards in a reasonable manner and to stop indiscriminately issuing bonuses, we should control the sources of the bonuses, their amounts and the requirements for issuing them. We should carry out strict supervision so that bonuses can truly play the role of encouraging the advanced and arousing the socialist enthusiasm of the workers and staff members. We should fix an upper limit for bonuses. The amounts of bonuses may vary in different enterprises and the amounts of bonuses in enterprises that make very great contributions should be allowed to exceed this limit if permission has been obtained from relevant departments at a higher level. We should carry out strict supervision and investigate and affix responsibility to leading groups which continue to indiscriminately issue bonuses and severely punish them. In the meantime, we should also adopt effective measures, including short-term measures for developing production and stopping price increases and measures involving orientation such as structural reform and experimental work in reforming the wage system, in order to solve the problems in issuing bonuses in an overall manner.

HENAN HOLDS PUBLIC SECURITY PROGRESSIVES MEETING

Opening of Meeting

HK100829 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 9 May 82

[Summary] The Henan Provincial congress of progressive collectives and progressive workers on the public security front opened in the Henan people's hall this morning.

One thousand delegates from throughout the province attended the congress. Responsible comrades of the provincial CCP committee, the standing committee of the provincial people's congress and the provincial government, including Dai Suli, Zhao Wenfu, Li Fuxiang, (Chen Bingji) and Yue Xiaoxia, attended the opening ceremony. Vice Governor Yue Xiaoxia presided over the congress. Provincial CCP committee Secretary Zhao Wenfu spoke.

In his speech, after fully affirming the achievements made since the end of 1979 in tidying up social order, striking blows at counterrevolutionaries and criminals and educating and redeeming young people and juveniles who have taken a false step, Zhao Wenfu said: "At present, our country is at a great turning point. The focal point of our work has been shifted to economic construction. However, the class struggle will still exist within a certain scope for a long time. We must maintain a high degree of vigilance against the sabotage activities of the elements who are hostile to socialism and resolutely struggle against them. We must seriously implement the instruction of the central authorities on strengthening political, legal and public security work, adhere to the principle of comprehensive control, mobilize the forces of all quarters and further consolidate social order to ensure a greater improvement in social order within this year."

Zhao Wenfu pointed out: "The struggle which is now being waged against serious crimes in the economic sphere is a struggle to adhere to the purity of communism and to oppose decadence and degeneration among Communist Party members and state cadres. This struggle has a bearing on the success or failure of the four modernizations in our country and on the prosperity or decline and rise or fall of our party and country. All public security guards, cadres and policemen must take a firm and clear-cut stand, stand in the forefront of the struggle and resolutely strike blows at the serious criminal activities in the economic sphere."

Zhao Wenfu said: "The NPC Standing Committee recently promulgated the draft revision of the constitution and handed it to all people for discussion. This is a major event in the political life of all people throughout the country." He demanded: "All political, legal and public security cadres and policemen must take an active part in the study and discussion of the draft revision of the constitution." He encouraged all delegates present at the congress to be modest and prudent, to shun arrogance and impetuosity and to unite and lead all cadres, policemen and public security personnel to render new meritorious service in striving for a greater improvement of social order and in defending the smooth progress of the four modernizations.

(Bai Jun), deputy of the political and legal group of the provincial CCP committee and director of the provincial public security department, made a report entitled "Sum Up Experiences, Advance on the Crest of Victory and Struggle Hard To Achieve a Greater Improvement in Social Order." Congratulatory letters from the Ministry of Public Security and the Henan Provincial Military District were also read at the congress.

Dai Suli Address

HK140811 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 12 May 82

[Excerpts of speech given by Henan provincial Governor Dai Suli at closing ceremony of Henan provincial meeting of representatives of advanced public security collectives and workers]

[Excerpts] Dear comrades: The provincial meeting of representatives of advanced public security collectives and workers, which has lasted for 4 days, is going to close today. This has been a successful meeting. On behalf of the provincial CCP committee and people's government, I would like to extend my warm congratulations to the meeting and the representatives.

Since the beginning of this year, we have waged struggles against criminal activities which seriously undermine the economy. In March, a series of activities for the all-people decorum and courtesy month were launched. As a result, the party work style, the work style of the people and the general mood of society have taken a turn for the better.

Since we have implemented the policies of readjustment, restructuring, reorganization and upgrading, agricultural production has made an overall development and industry is making steady progress amid readjustments. Revenues and expenditures are balanced and there is a small surplus. Markets in towns and cities are prosperous and the income of the peasants has increased by a large margin. The living standard of people in the urban areas has also improved. At present, the political and economic situation is excellent. How about the situation of social order? It is also excellent. Over the past 2 years or more, we have cracked a number of counterrevolutionary criminal cases and handled a number of serious criminals according to the law. We have improved reform-through-labor and education-through-labor work, educated and redeemed a number of juvenile delinquents and arranged employment for people awaiting jobs. The safety responsibility system has been implemented in some plants, mines and enterprises. Village regulations and people's pledges have been established in some communes and brigades and precautions against social disorders have been strengthened.

Comrades working on the public security front have made due contributions to improving social order and ensuring that the readjustment of the national economy is carried out in a smooth manner. Although the social order is to a certain extent improved, we must also note that the situation is not thoroughly changed. In some places, there are many problems of social order, and many of them are major problems. This is because the pernicious influences left by Lin Biao and the gang of four cannot be eliminated within a short period of time and there are many factors that might lead to social instability. Within a certain scope, class struggle will remain for a long period of time. Counterrevolutionaries, enemy agents, criminals who seriously undermine socialist order, people who have degenerated and people who are engaged in corruption, speculation and profiteering are sabotaging the social order in various aspects. The task of rectifying the social order is both arduous and formidable. We must not be satisfied with the results scored and slacken our vigilance.

The year 1982 is the time for us to work hard for the prosperity of our country. In accordance with the demand of the central authorities, we must adhere to the policy of promoting material and spiritual civilizations at the same time. We must enhance our revolutionary vigor and work very hard to strive for new achievements in both aspects.

Public security organs are important tools to ensure the democratic dictatorship of the people. They are on the frontline of struggle and their tasks are formidable. It is our unshirkable duty to strive for a basic change for the better in public order. We must make efforts to rectify the public order and promote all tasks with primary emphasis on rectifying the public order.

The draft of the revised constitution has been promulgated. We must seriously organize the masses to carry out discussions so as to strengthen their sense of governing by law, spontaneously abide by the constitution and use the constitution to struggle against all criminal offenses. At present, we are carrying out activities to combat serious criminal activities in the economic field. This is an important struggle which is related to the success and failure of socialism in our country and to the prosperity and decline of our party and our country. Comrades on the public security front play an important role in this struggle. They must have a clear and firm stand and must seriously publicize and implement the resolution of the CCP Central Committee and the State Council on dealing severe blows at criminal offenses in the economic field.

Since the 3d plenary session of the 11th Central Committee, the central leading comrades have reiterated that the ranks of public security personnel must be strengthened, and the discipline and work style of the public security force must be rectified, so as to curb unhealthy trends of the public security force with regard to politics, organization and work style.

Over the past 2 years, the number of public security forces has increased and the management has improved. However, regarding the present situation, the public security forces cannot satisfy the demand of the struggle. The CCP committees at all levels must continue to attach importance to the building of public security forces, strengthen the ideological work and professional training and provide essential work conditions so as to further enhance their combat effectiveness.

Leading comrades of all units must take a clear stand to support the advanced public security collectives and workers, devote major efforts to publicizing advanced ideologies and experiences and mobilize the policemen to compare themselves with the advanced, to learn from them and to catch up with them, so that there will be more and more advanced collectives and workers. We must work incessantly with concerted efforts so as to make more contributions to bringing about a basic change for the better in social order and to safeguarding the building of the socialist four modernizations.

Liu Jie at Closing

HK130337 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 12 May 82

[Summary] The Henan provincial meeting of representatives of advanced collectives and workers on the public security front, which lasted for 4 days, successfully concluded this afternoon. "In the course of the meeting, all the participants conscientiously studied important speeches delivered by leading comrades of the provincial CCP committee and the people's government and reports made by responsible comrades of the provincial public security bureau." They also took part in the discussions and exchanged experiences. They now have clear understanding about the fighting tasks under the new situation. All the participants are energetic and have inspired their spirits and are determined to bring the good ideas, fine work style and precious experience recommended by the meeting to their own units so that they will be further carried forward and yield positive results throughout the province. "Leaders of the provincial CCP committee, the standing committee of the provincial people's congress, the provincial people's government and the provincial military district, including Liu Jie, Dai Suli, Zhao Wenfu, Li Qingwei, Zhang Shude, Yu Yichuan and others, attended the closing ceremony." The closing ceremony was presided over by (Li Fuxiang), executive secretary of the provincial CCP committee and chairman of the provincial political and judicial leading groups. Dai Suli, secretary of the provincial CCP committee and provincial governor, delivered an important speech. Provincial Vice Governor Yue Xiaoxia read the decision made by the provincial people's government on commending advanced collectives and workers in the public security field. At the meeting, all participants also unanimously approved a written proposal for public security cadres, people's policemen and political and judicial workers of the entire province.

HUNAN HOSTS SOUTH CHINA ANIMAL HUSBANDRY MEETING

HK140241 Changsha Hunan Provincial Service in Mandarin 2310 GMT 13 May 82

[Text] A south China animal husbandry work conference was held in Hunan's Chengbu Miao Autonomous County from 5 to 13 May. The meeting was convened by the State Council's Ministry of Agriculture, Animal Husbandry and Fishery. Attending were responsible comrades of agricultural committees, offices and departments and animal husbandry bureaus of 20 provinces, municipalities and autonomous regions and a number of key counties. Departments concerned of the State Council sent people to take part in the meeting. Comrade Lin Hujia, minister of agriculture, animal husbandry and fishery presided and spoke. Comrade Zhang Pinghua also spoke. The meeting focused discussions on how to exploit and use the mountains and waters in south China to develop the raising of poultry and herbivorous livestock, and also the question of animal husbandry in agricultural areas. The meeting pointed out: China has vast areas of grassy hills and slopes, waters and shores. This is a superior feature. Exploiting and using the grassy hills and slopes, cultivating fine-quality forage grass and turning grass into milk and meat will help to bring into play south China's superior feature of being comprised of 70 percent mountains and 10 percent waters. It will also benefit soil conservation and the ecological balance. This is a practical path to follow. While ensuring steady growth of pig production, we should vigorously develop the raising of poultry and herbivorous livestock such as cattle, goats and rabbits, and gradually work to basically solve, within 5 years or a bit longer, the problem of meat, eggs and milk supplies for large and medium-sized towns. This should be regarded as a strategic aim in developing animal husbandry. The meeting summed up and exchanged experiences of various places in speeding up animal husbandry development. The participants visited the (Nanshan) livestock farm in Chengbu County, discussed initial schemes for developing animal husbandry during the Sixth 5-Year Plan and also studied how to achieve steady and sustained development in pig raising.

SICHUAN FORUM ANALYZES IMPROVING ECONOMIC WORK

HK170744 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 15 May 82

[Text] In order to comprehensively straighten out industrial and communications enterprises in the province and push ahead with the overall reorganization of these enterprises, the Sichuan Provincial People's Government convened a forum in Chongqing from 5-14 May. This forum, as an occasion to exchange experience and arrange work for the future, will be of great significance in improving economic returns in the industrial and communications enterprises in the province and increasing production development. Present at the forum were more than 200 people, including leading comrades of the provincial CCP committee and the provincial people's government, responsible comrades of the departments concerned at the prefectural, municipal, autonomous and provincial levels and responsible people of key enterprises.

At this forum for straightening out enterprises, the participants first reviewed the progress of enterprise rectification work in the province during the last 2 months. Practice has proved that the circumstances are correct in the 389 enterprises which comprise the first group of rectified enterprises. The forum realized that most of these enterprises have now entered the stage of consolidation. At this stage, which is of extreme importance to the comprehensive rectification and overall management of enterprises, the economic responsibility system must be improved and perfected. Those forms of the economic responsibility system which have already been adopted, such as the system of proportionate distribution of profits in cash, the system of proportionate distribution of profits from overfulfilled tasks, the contract system of full responsibility for profits and losses, the system of paying taxes instead of handing over profits and so on, will be maintained this year. Moreover, we must extensively popularize the experience of the Shoudu iron and steel corporation and, in the light of our own experiences obtained in the last 4 years, continue to perfect the economic responsibility system in enterprises; make workers, administrative personnel and leading cadres clearly aware of their particular duty and administrative competence; and strengthen their sense of responsibility, thus linking economic interests to production and management results. Therefore, every post in an enterprise is subject to certain responsibilities, every job is to be accomplished in accordance with certain standards, all assessments are governed by certain criteria, and rewards and punishments are based on one's achievements and faults. In this way, competence, responsibility and interests will be closely related to each other. We must establish and amplify the system of assigning full responsibility to the factory director and the system of staff and worker representative congress under the leadership of the CCP committee, and set up the leadership system under which the factory CCP committee carries out collective leadership, the staff and workers take part in democratic administration and the factory director undertakes overall administration.

The participants in the forum conscientiously discussed and studied how to enhance the reorganization and unification of enterprises. They unanimously realized that the unification and reorganization of enterprises is the inevitable trend for the development of the national economy, and is also an important approach to improving economic returns. At present, as the unification and reorganization of the enterprises in our province are making slow progress, we must quicken our steps so as to meet the demand of economic development. The unification and reorganization of enterprises must be based on key cities and industrial bases. The responsible comrades of the administrative departments of various bureaus in charge of supply and marketing declared that they would make efforts to assist Chongqing, Chengdu, Zigong and nine other municipalities under prefectural jurisdiction, including Luzhou, Wanxian, Yibin and others in working out the transregional unification and reorganization plan, in organizing the coordination between specialized trades with an emphasis on those marketable key products of famous brands and in promoting mass production in these localities. Economic unification must adhere to the principle of voluntary participation, mutual benefit and economic rationality. Cooperation and unification must be carried out not only within an enterprise, but also between industry and agriculture and commerce, institutions of higher learning and scientific research units, so as to speed up economic development.

The forum also deliberated on questions of joint economic issues concerning planning and statistics, material supply, product marketing, fund allocation, taxation and so on, and put forth corresponding suggestions and regulations.

SICHUAN NATIONALITIES AFFAIRS COMMITTEE MEETS

HK130428 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 12 May 82

[Excerpt] The second enlarged meeting of members of the provincial nationalities affairs committee was held in Chengdu from 6 to 12 May. The meeting conveyed and implemented the spirit of the second enlarged meeting of the State Nationalities Affairs Commission and the provincial CCP committee's recent instructions on nationalities work, summed up the work since the last meeting and formulated future tasks. Tian Bao, secretary of the provincial CCP committee and vice governor, spoke on further emancipating the mind, implementing the party principles and policies, developing the excellent situation in the nationality areas, further improving relations among nationalities, strengthening minority-nationality work in areas of mixed or sparse minority population and doing a good job in ideological and political work in the nationality areas.

Comrade Tian Bao stressed: It is necessary to put economic work first in nationalities work. Unity of nationalities can be built on a sounder foundation only by developing the economy of the nationalities and gradually eliminating the discrepancies between the different nationalities. He said: The nationality areas must further relax the policies and implement and perfect the various production responsibility systems. It is necessary to develop all kinds of joint undertakings and integrate the rich resources of the nationality areas with the advanced technology of the interior. On the question of improving relations among nationalities, Comrade Tian Bao pointed out: The key to promoting nationality unity lies in the unity of the leading cadres. It is necessary to carry out education in unity of nationalities.

(Zaxi Zeren), chairman of the provincial nationalities affairs committee, delivered a work report. He pointed out: The tasks in future nationalities work in Sichuan are to further improve relations among nationalities, further strengthen unity of nationalities and promote economic and cultural construction. The provincial nationalities affairs committee must work hard to do a number of things for the minority nationalities within a definite period.

Also speaking at the meeting were Wu Jinghua, vice chairman of the State Nationalities Affairs commission, member of the provincial CCP committee standing committee and vice chairman of the provincial people's congress standing committee; Ren Mingdao, member of the provincial CCP committee standing committee and secretary of the provincial nationalities work committee; and Fei Xiaotong, adviser to the State Nationalities Affairs Commission.

XIZANG LITHIUM SAID NEARLY HALF WORLD TOTAL

OW180547 Beijing XINHUA Domestic Service in Chinese 0010 GMT 18 May 82

[Text] Beijing, 18 May -- Preliminarily verified lithium deposits in China's Xizang region account for nearly 1/2 the world's total, it has been learned from the Ministry of Geology and Minerals. Lithium, a type of metal with the lightest specific gravity, low fusion point, high boiling point and very high heat conductivity and absorption capacity, can be used as fuel for hydrogen bombs, rockets, nuclear submarines and modern jet planes. It can be widely used in the metallurgical, chemical, glass, ceramics, electronics and atomic energy industries. Occupying a very important position in modern-day science and technology, it is dubbed a "metal upstart."

As early as the mid-1950's, the geological department of our country discovered lithium in the sediments of many salt lakes in Xizang. Beginning in 1980, it started regular work in salt lakes in northern Xizang. Some 600 samples were collected, laboratory tested and analyzed, thereby verifying that these salt lakes contained very rich lithium ores with high industrial value. Moreover, it is fairly easy to extract and purify them.

HEBEI'S JIN MING LEADS FIGHT AGAINST DROUGHT

HK200423 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 13 May 82

[Summary] The Hebei Provincial CCP Committee recently decided that the provincial organs should transfer a further group of cadres, led by responsible comrades of the province, to the frontline of the struggle against drought to further guide and promote the struggle. The responsible comrades of the province going down to the countryside on this occasion include Jin Ming, Wang Zheng, Guo Zhi, Yang Zejiang, Wang Dongning, and Wang Kedong.

"At present the drought in Hebei is continuing to develop and is extremely serious. In the face of this serious drought, the provincial CCP committee and government on 11 May held mobilization meetings of responsible comrades of all departments, committees and offices to mobilize them to go down to the countryside to fight drought." The meetings called on the cadres to help the grassroots cadres to concentrate efforts on fighting drought, and conduct rectification of weak and lax grassroots leadership groups.

NEI MONGGOL ISSUES MEASURES TO IMPLEMENT HOUSING

SK161014 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 May 82

[Text] The autonomous regional people's government recently promulgated measures for implementing the State Council regulations of administration of land for housing construction in villages and towns, urging localities to administer well and make good use of land and develop villages and towns step by step in a planned way. The implementation measures call on localities to quickly draw up an overall plan for villages, towns and residential areas or an overall system for the approval of land use. The measures call for economical and rational use of land for housing and facilities for production, culture, education, commerce, services and other use, putting an end to arbitrary use of land and for carrying out construction in accord with the plan.

The measures prescribe limits on residential areas for commune members: the maximum area in suburban areas of cities is 200 square meters; 300 square meters in banners, counties and towns; 450 square meters in flatland farming areas; and 600 square meters in hilly, saline or undeveloped land and deserts. Within these limits, the commune authorities may decide on specific limits for the residential area of commune members in line with the local population and farming area. As for the residential area of commune members in pastoral and forestry areas, the regional government formulates only general regulations; league, municipal, banner and county authorities may draw up specific plans in line with their characteristics of production and the custom and folkways of nationalities, paying attention to drawing up well-conceived plans and making economical use of land.

The measures stipulate that approval must be acquired for use of land in housing construction by commune members, drawing up development plans of villages and towns and requisition of land by enterprises and establishments. Banner and county governments may approve the requisition of vegetable plots and forestry land of less than 3 mu, grassland of less than 10 mu and saline and undeveloped land of less than 30 mu; requisition of land exceeding these limits must be approved by the league administrative office or municipal government. Approval must be acquired from the regional people's government for requisition of vegetable plots and forestry land over 10 mu, farmland and grassland over 30 mu and saline and undeveloped land over 50 mu.

The measures point out that those who build houses without authorization will have to return the land within a specified time, will be fined or ordered to pay compensation. Cadres of communes and brigades and state functionaries involved in illegal land use will be punished by disciplinary sanctions. Administrative, disciplinary or criminal responsibility will be imposed on those who abuse their positions to engage in malpractices for selfish ends or to retaliate against others.

JILIN CCP COMMITTEE HOLDS INDUSTRY CONFERENCE

Opening of Meeting

SK120219 Changchun Jilin Provincial Service in Mandarin 1100 GMT 11 May 82

[Text] The Jilin provincial industrial conference, sponsored by the provincial CCP committee and the provincial government, opened today at the auditorium of the provincial guest house in Changchun municipality. Attending the conference are leading party and government comrades from the various municipalities, prefectures and counties, leading comrades of enterprises subordinate to the municipalities, prefectures and counties, responsible comrades of the various departments, commissions, offices and bureaus under the provincial CCP committee and government, responsible comrades of the provincial court, procuratorate, trade union council, CYL committee and women's federation and representatives of some units — over 1,000 in all. Leading comrades of the provincial CCP committee and government including Qiang Xiaochu, Zhang Gensheng, (ZHAO XIU), Li Diping, Yu Lin and Song Kiehan, attended today's opening session.

The major task of this conference is to study and implement the guidelines of the national conference on industrial and communications work and the important speech delivered by Premier Zhao Ziyang to further straighten out the guiding ideology in enterprise operations and modify our thinking to improving economic results. By focusing on enterprise consolidation, improving economic results and intensifying ideological and political work, the conference will earnestly examine and sum up the province's industrial and communications work since last year, allot this year's tasks and mobilize the vast number of party members, cadres, technical personnel and workers on the province's industrial, communications, trade, financial and other fronts to enhance their vigor, work hard, make our province's industry break a new path in improving economic results and comprehensively fulfill or overfulfill this year's state plan.

(Zhao Xiu), secretary of the provincial CCP committee, presided over the conference. Zhang Gensheng, secretary of the provincial CCP committee and acting governor, delivered a report on successfully executing enterprise consolidation, improving economic results and striving to promote the province's industry.

Qiang Xiaochu Address

SK190931 Changchun Jilin Provincial Service in Mandarin 1100 GMT 18 May 82

[Excerpt] According to our reporters, the provincial industrial conference concluded today in Changchun after an 8-day session. It was a relatively large-scale conference, of the type which has not taken place in the past several years. The provincial CCP committee and the provincial people's government have attached great importance to the conference. At the conference, participants conscientiously studied the speech of Premier Zhao Ziyang delivered at the national industrial and communications work conference. Comrade Qiang Xiaochu, Zhang Gensheng and Yu Lin delivered speeches at the conference.

In his speech, Comrade Qiang Xiaochu first reviewed the situation in our province's industrial production in the first 4 months of this year. He said: In the first 4 months of this year, there was an obvious turn for the better in our province's industrial production. The situation as a whole was good. The total industrial output value was 6.5 percent higher than that of the corresponding 1981 period. Economic results were also much better. The growth rate of industrial output value and revenue was better than what we expected. This is a good beginning. But we should not be blinded by this good beginning and become optimistic. We should be able to see the problems hidden behind the growth rate. We should use the method of dividing one into two to analyze the situation of our production in the first 4 months of this year. After conducting a thorough analysis, we will find that the production growth is very uneven, partly because of some factors which cannot be compared and partly because of inflated reports. We should be keen and sober-minded so as to locate the problems and expose and solve the contradictions. Only by objectively studying the current situation of our industrial production can we give play to our strong points, avoid our weak points, further develop the excellent situation and continuously advance on the basis of the achievements scored in the first 4 months of this year.

Comrade Qiang Xiaochu emphatically pointed out: Promoting our province's economy and achieving a balance between revenue and expenditures are major tasks in the work of the provincial CCP committee this year. We must seize the opportune time, and adopt practical and effective measures to realize our goals. He said: Great efforts should be made to tap the potential of existing enterprises. This is the most practical and effective and fastest way. When we say we should emphasize the need to tap the potential of existing enterprise, we do not mean that there is no need to expand production capacity, nor do we mean to oppose building plants which will be needed later. What we mean is to carry out construction projects in a planned and guided manner within our financial and material capacities. At present, the most practical and reliable way is to arouse the enthusiasm of staff and workers in existing enterprises and to further tap their potential to increase production and incomes.

After dwelling on the issues of doing a good job in readjusting product mix, promoting marketing of products and conducting the activities of emulating, learning from and catching up with each other, Comrade Qiang Xiaochu said: The key to whether or not we can promote this year's industrial production lies in the work style and mental state of leading bodies. The first thing in consolidating enterprises is to rectify the work style of leading bodies in ideological issues. As long as leading cadres at all levels brace themselves and set an example for others, they will be able to arouse the enthusiasm of the broad masses of staff and workers and make contributions to the building of the two civilizations.

At the conference, 14 units, including the Liaoyuan Municipal CCP Committee, the Shipping Municipal CCP Committee, the Tonghua County CCP Committee and the Jilin chemical industrial company, introduced their experiences in conducting enterprise consolidation, improving economic results and strengthening ideological and political work.

LIAONING COMBAT HERO DEVOTED TO YOUTH EDUCATION

SK120237 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 11 May 82

[Text] Nationally noted combat hero (Wei Jianyi) has deemed it his glorious duty to educate young people since he left his job for recuperation. [words indistinct] Since last July, when (Wei Jianyi) was permitted to leave his job for recuperation, he has concentrated his efforts on the education of young people and has pledged to devote all his remaining years to the cultivation of the younger generation.

Last November, when he was attending the Fourth Session of the Fifth National People's Congress in Beijing, he recalled that a teacher at a Xicheng District school had written asking him to introduce to the students the heroic deeds of Dong Cunrui. Although he wrote a letter in reply at that time, he always felt dissatisfied. Therefore, taking the opportunity of attending the session in Beijing, he went to the school to give reports during the session's breaks.

During (Wei Jianyi's) recuperation period, he was often invited to other places to give reports. Regarding the platform as a bastion for publicizing Marxism-Leninism-Mao Zedong Thought and the revolutionary traditions, he gave 37 reports to youths of various school in 9 months.

LIAONING REPORTS POOR FIELD CROP GROWTH

SK170515 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 16 May 82

[Text] Field crop planting in our province has been completed. However, because of the very serious drought which resulted in scant soil moisture and extended planting cycles, field crop growth is rather poor, with many seedlings missing or broken. In most areas, only 80 percent of the seedlings emerge, and on a few fields, only 50 percent emerge. Such a poor field crop growth situation is rare. If no timely measures are taken, some communes will find their efforts to complete spring sowing in (? vain).

Therefore, inspecting fields and replanting crops if necessary are extremely urgent tasks for the present. Practices in agricultural production prove that the more the seedlings emerge in spring, the better the harvest will be in autumn. Only a full stand of crops will yield a bumper harvest. All localities should regard the inspection of fields and replanting as tasks of spring farming and as important links in reaping a bumper harvest, and strive to replant all missing seedlings at one time.

GANSU'S FENG JIXIN SETS TASKS IN ECONOMIC FIELD

SK150334 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 14 May 82

[Excerpts] According to GANSU RIBAO, on 11 May Feng Jixin, first secretary of the Gansu Provincial CCP Committee, gave a report on the current economic situation to over 1,200 cadres at or above section level and worker representatives of the Lanzhou oil refinery. On 12 May Li Dengying, secretary of the provincial CCP committee and governor of the province, also made a report on the same topic to over 1,000 cadres from provincial level organs. Such report meetings have been carried out under the arrangement of the provincial CCP committee in order to conduct education on the current economic situation.

According to the arrangement, permanent members of the provincial CCP committee and deputy governors of the provincial people's government are responsible for separately giving an economic situation report to departments and organs of politics, judicature, agriculture, forestry, propaganda and education and cadres and the masses of enterprises. In addition, leading comrades of departments and units are urged to give an economic situation report to their subordinate cadres and workers and to do a good job in conducting education on the economic situation.

In their reports, Feng Jixin and Li Dengying, bearing in mind the actual situation of the province and the country, enumerated a host of facts and statistical figures to prove that the party and state had made all-out efforts over the past 3 years and had done a great deal of good in improving the people's livelihood. As a result, the living standard of most staff and workers has been substantially upgraded. Since the 3d Plenary Session of the 11th CCP Central Committee, the party's policy on economic construction has proved a correct one and played a tremendous role in practice.

In referring to current problems in the economic field, they also analyzed them in a seek-truth-from-facts, manner and urged the broad masses of cadres and staff and workers to affirm the achievements, to face difficulties squarely and to redouble their efforts in work.

In his report, Feng Jixin put forward the following five tasks for staff and workers among enterprises:

1. It is necessary to carry forward the pioneering spirit developed by the working class.
2. It is necessary to learn from advanced units and individuals so as to operate enterprises better.
3. It is necessary to define a clear-cut production orientation among enterprises, adopt a viewpoint of taking the whole country into account and take a correct attitude toward the relationship among the state, enterprise and individual.
4. It is necessary to enhance scientific management among enterprises.
5. It is necessary to vigorously upgrade economic results and concentrate on expanding processing technology, raising quality and labor productivity, curtailing expenditures and lowering costs. Meanwhile, under the state's unified plan, it is necessary to turn out more products needed by the society.

XINJIANG'S WANG ENMAO VIEWS UNITED FRONT WORK

HK150352 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 10 May 82

[Summary] A regional CCP committee united front work conference, held from 24 April to 7 May stressed: the united front remains an important magic weapon of the party. We must strive to consolidate and expand the patriotic united front and continually strengthen and develop the great unity of all nationalities, strata, parties and all patriotic forces. The meeting seriously conveyed and discussed the spirit of the national united front work conference and the speeches of leading central comrades, summed up the situation and outlined the tasks. Regional leaders Wang Enmao, Ismail Amat, Qi Gho and Janabil took part in the meeting.

Comrade Wang Enmao made an important speech. He said the party committees and united front departments in Xinjiang have done a lot of work in united front work in the past 2 years.

"However, a lot remains to be done in bringing order out of chaos in this respect. At present we must concentrate on continuing to correct the errors of leftism. Secondly, we must avoid and overcome certain laissez-faire trends."

Comrade Wang Enmao stressed: "United front work is particularly important in Xinjiang, a region of many nationalities, various religions [words indistinct], and a border region in the antihegemonist frontline." He put forward the following tasks for bringing about a new situation in the region's united front work:

1. Promote the unity of nationalities. There can be no social stability in Xinjiang, nor can the four modernizations be smoothly accomplished, without the unity of nationalities. In our united front work, we must do a good job in work regarding the upper-strata figures among the nationalities. We must unite them and carry out nationality unity work through them. We should further strengthen the unity of nationalities. As for the upper-strata figures among the nationalities, we must care for them politically, and make proper arrangements for their work and daily life.
2. Do a good job in work concerning religion. We must firmly implement the policy on freedom of religious belief. The masses are free to believe or not to believe in religion. In freedom of religious belief, we only allow normal religious activities and cannot permit abnormal activities. We must consolidate and expand the patriotic alliance among the religious circles in the nationalities, and win over and unite figures in religious circles. [Words indistinct].
3. Do a good job in work concerning the various democratic parties. It is also necessary to launch work to bring Taiwan back to the motherland.
4. [Words indistinct]
5. Implement the policies on intellectuals.

XINJIANG REGIONAL PEOPLE'S CONGRESS HOLDS MEETING

HK180316 Urumqi Xinjiang Regional Service in Mandarin 1650 GMT 17 May 82

[Summary] The 15th Meeting of the Xinjiang 5th Regional People's Congress Standing Committee opened in Urumqi on the morning of 17 May. The main topic at the current meeting was to discuss the draft of the revised constitution. At the same time, the meeting will also listen to and examine a report by the regional people's government on the 1981 final accounts and the 1982 financial budget and listen to a report by the regional forestry department of the trial implementation of the forest law, on the implementation of the decision of the CCP Central Committee and the State Council on certain questions concerning the protection of forests and the development of forestry as well as on the launching of the all-people voluntary tree planting activity.

"Regional people's congress standing committee Chairman Tomur Dawamat presided over the meeting yesterday."

Tomur Dawamat said: The people's congress standing committee should, under the leadership of the CCP, attach great importance to the discussion of the draft of the revised constitution. It is necessary for the people's congress standing committee members and the participants to take an active part in the discussion and to propose amendments with the attitude of being the masters of their own affairs. The regional people's congress standing committee should provide good practical guidance to the regional discussion of the draft of the revised constitution so that the task can be completed in our region according to the schedule.

"Group discussion on the draft of the revised constitution started yesterday afternoon. Regional people's congress standing committee Vice Chairmen Wang Zhenwen, Yang Yiqing, Mushayef, Lu Xuebin, Zhao Yuzheng, Yu Zhanlin, Amantuer, Tuerxun Atawula, Mahsut Teibov, Wang Heting and Liu Sicong attended the meeting. Regional people's government Vice Chairman Liu Zimo, regional higher people's court President Nuryuv and regional people's procuratorate responsible persons attended the meeting as nonvoting delegates."

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